
Sedona-Oak Creek Joint Unified School District No. 9

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2024



Sedona-Oak Creek Joint Unified School District No. 9

Sedona, Arizona

**Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2024**

Issued by:
Business and Finance Department

Sedona-Oak Creek Joint Unified School District No. 9

Table of Contents

<u>Introductory Section</u>	<u>Page</u>
Letter of Transmittal	1
ASBO Certificate of Excellence	7
GFOA Certificate of Achievement	8
Organizational Chart	9
List of Principal Officials	10
 <u>Financial Section</u>	
Independent Auditor's Report	13
Management's Discussion and Analysis (MD&A)	19
Basic Financial Statements	
Government-Wide Financial Statements:	
Statement of Net Position	32
Statement of Activities	33
Fund Financial Statements:	
Balance Sheet – Governmental Funds	36
Reconciliation of the Balance Sheet –	
Governmental Funds to the Statement of Net Position	39
Statement of Revenues, Expenditures and Changes in Fund Balances –	
Governmental Funds	40
Reconciliation of the Statement of Revenues, Expenditures and	
Changes in Fund Balances – Governmental Funds to the Statement of Activities	42
Notes to Financial Statements	43
 Required Supplementary Information	
Schedule of Revenues Expenditures and Changes in Fund Balances – Budget and Actual:	
General Fund	69
Classroom Site Fund	70
Other Special Revenue Fund	71
Pension Schedules	72
Notes to Required Supplementary Information	74
 Combining and Individual Fund Financial Statements and Schedules	
Governmental Funds:	
Combining Balance Sheet – All Non-Major Governmental Funds	80
Combining Statement of Revenues, Expenditures and Changes in Fund Balances –	
All Non-Major Governmental Funds	82
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
Instructional Improvement	84
Federal and State Grants	85
Food Service	86
Debt Service	87
Adjacent Ways	88
Bond Building	89
Other Capital Projects	90

Sedona-Oak Creek Joint Unified School District No. 9

Table of Contents

<u>Statistical Section</u>	<u>Page</u>
Financial Trends:	
Net Position by Component	93
Expenses, Program Revenues, and Net (Expense)/Revenue	94
General Revenues and Total Changes in Net Position	96
Fund Balances – Governmental Funds	98
Governmental Funds Revenues	100
Governmental Funds Expenditures and Debt Service Ratio	102
Other Financing Sources and Uses and Net Changes in Fund Balances – Governmental Funds	104
Revenue Capacity:	
Net Limited Assessed Value and Full Cash Value of Taxable Property by Class	105
Net Full Cash Assessed Value of Taxable Property by Class	106
Property Tax Assessment Ratios	107
Direct and Overlapping Property Tax Rates – Coconino County	108
Direct and Overlapping Property Tax Rates – Yavapai County	109
Principal Property Taxpayers	110
Property Tax Levies and Collections	111
Debt Capacity:	
Direct and Overlapping Governmental Activities Debt	112
Direct and Overlapping General Bonded Debt Ratios	112
Outstanding Debt by Type	113
Legal Debt Margin Information	114
Demographic and Economic Information:	
Coconino County-Wide Demographic and Economic Statistics	115
Yavapai County-Wide Demographic and Economic Statistics	116
Principal Employers	117
Operating Information:	
Full-Time Equivalent District Employees by Type	118
Operating Statistics	120
Capital Assets Information	121

(This page intentionally left blank)

Introductory Section

(This page intentionally left blank)



SEDONA-OAK CREEK UNIFIED SCHOOL DISTRICT

Tom Swaninger, Ed.D
Superintendent

995 Upper Red Rock Loop Road, Sedona, Arizona 86336
Telephone: (928) 204-6700 • Fax: (928) 282-0232

www.sedona.k12.az.us
swaninger@sedonak12.org

December 20, 2024

Citizens and Governing Board
Sedona-Oak Creek Joint Unified School District No. 9
995 Upper Red Rock Loop Road
Sedona, Arizona 86336

State law mandates that school districts required to undergo an annual single audit publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States by a certified public accounting firm licensed in the State of Arizona. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the Sedona-Oak Creek Joint Unified School District No. 9 (District) for the fiscal year ended June 30, 2024.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with accounting principles generally accepted in the United States of America. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free of material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The District's financial statements have been audited by Heinfeld, Meech & Co., P.C., a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2024, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2024, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the District was part of a broader, federally mandated Single Audit as required by the provisions of the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the District's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in a separately issued Single Audit Report.

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

Profile of the District

Residents of Coconino and Yavapai counties voted to form a new school district. This 93% voter approval resulted in the creation of the Sedona-Oak Creek Joint Unified School District No. 9 in fiscal year 1991-92. The District was formed from a portion of Cottonwood-Oak Creek Elementary School District No. 6 of Yavapai County, Arizona; Mingus Union High School District No. 4 of Yavapai County, Arizona; and Flagstaff Unified School District No. 1 of Coconino County, Arizona. The District is located in both Yavapai and Coconino counties. It provides a program of public education from pre-kindergarten through grade twelve, with total enrollment of 678 students. The projected enrollment for fiscal year 2024-25 is 710.

The District's Governing Board is organized under Section 15-321 of the Arizona Revised Statutes (A.R.S.). Management of the District is independent of other state or local governments. The County Treasurer collects taxes for the District, but exercises no control over its expenditures/expenses.

The membership of the Governing Board consists of five members elected by the public. Under existing statutes, the Governing Board's duties and powers include, but are not limited to, the acquisition, maintenance and disposition of school property; the development and adoption of a school program; and the establishment, organization and operation of schools. The Board also has broad financial responsibilities, including the approval of the annual budget, and the establishment of a system of accounting and budgetary controls.

The financial reporting entity consists of a primary government and its component units. A component unit is a legally separate entity that must be included in the reporting entity in conformity with generally accepted accounting principles. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Furthermore, there are no component units combined with the District for financial statement presentation purposes, and the District is not included in any other governmental reporting entity. Consequently, the District's financial statements include only the funds of those organizational entities for which its elected governing board is financially accountable. The District's major operations include education, student transportation, construction and maintenance of District facilities, food services, and athletic functions.

Sedona Oak Creek School District

The District ended the year with \$508,669 or 7% of carry-forward in the Maintenance and Operation Fund. The District's long range planning includes research and cost analysis into restructuring and reorganization of the current instructional delivery model in preparation for projected enrollment drops over the next four years. In response to this preparation the District has created a Junior High School for 7th and 8th Grade. Located at the High School, the Junior High students are provided the opportunity to participate in many more extracurricular activities and elective classes. By providing an exceptional educational experience for middle school aged children the District is optimistic the enrollment will increase at the Junior High. Projected enrollment for the Junior High School is 314 for fiscal year 2025.

The facilities at Sedona Oak Creek vary in age, but are in excellent condition. Big Park and the High School were both constructed approximately 25 years ago. The K-6 at West Sedona has some older structures but most were rebuilt in 2008. The District office is new construction, built in 2010. Additionally, the High School has a new Performing Arts Center constructed in 2010. Both the District Office and the Performing Arts Center were constructed using Bond funds (passed in 2006). These funds were also used to upgrade existing facilities. The District closed its District Office building at the end of the 2018-2019 school year and relocated its operations to Sedona Red Rock Junior/Senior High to reduce infrastructure costs. The building is currently being leased to the City of Sedona.

Sedona Red Rock Junior/Senior High School was opened in September 1994 and graduated its first senior class in the 1996-1997 school year. Sedona Red Rock High School is a performance-based school with a high level of personalization and a strong, integrated, core curriculum, where students demonstrate what they know and are able to do. We operate with the mission to acknowledge personal achievement, encourage intellectual growth, foster physical and emotional wellbeing, and instill responsible decision-making. For fiscal year 2024, we have a projected enrollment of 455 students. We offer a full complement of sports, Student Council, and student clubs including: Theatre, Orchestra, Yearbook, Key Club, and National Honor Society, as well as many others. The district is also providing the Capturing Kid's Hearts character education curriculum. In addition, the school offers expanded career and technology courses, made possible by the formation of VACTE (Valley Academy for Career & Technical Education).

Big Park Community School was closed at the end of the 2017-2018 school year. With the aforementioned trend of declining enrollment, the District did a school consolidation to better use its financial resources on a more limited physical infrastructure. This decision made it possible to expand educational opportunities and programming at West Sedona Elementary School.

West Sedona Elementary School is a K-6 school of approximately 245 students projected for fiscal year 2024. The school staff is dedicated to providing a motivating, challenging, and enriched school program to all students. The school has received STEM accreditation through Advanced Ed and is proud of putting our elementary students on the pathway to expanding their opportunities through science, technology, engineering and math. Enrichment programs in music, library, physical education, character education and art are available to all students. An active Student Council and after school programming in yoga, dance, athletics, hiking and more provide students with opportunities to further their extra-curricular activities.

The District maintains budgetary controls as an integral part of its overall system of internal controls. The objective of these budgetary controls is to ensure compliance with legal provisions included in the annual expenditure budget adopted by the District's Governing Board. The annual expenditure budget also serves as the foundation for the District's financial planning and control. Activities of the general fund, special revenue funds, and capital projects funds are included in the annual appropriated budget. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is the total adopted expenditure budget. Arizona Revised Statutes permits the adopted expenditure budget to be revised annually. The District additionally exercises management control and oversight of the budget at the fund level. The District may have overexpenditures of budgeted funds as long as the necessary revenue is earned. The District is not required to prepare an annual budget of revenue; therefore, a deficit budgeted fund balance may be presented.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the District operates.

Local Economy. The District is located in central Arizona approximately 127 miles north of the City of Phoenix, Arizona, and 27 miles south of the City of Flagstaff, Arizona, and is surrounded by the Coconino National Forest. The community is located in both Coconino County and Yavapai County and is situated at the southern entrance to Oak Creek Canyon, a major tourist attraction. Sedona was established in 1902 and became an incorporated city on January 4, 1988.

Sedona has a mild climate due to its elevation, being 3,200 feet higher than the desert area of Phoenix and 2,600 feet lower than the rim country area of Flagstaff.

The Greater Sedona Area (City of Sedona and the Village of Oak Creek) has an estimated population of 19,500.

From a small agricultural community, the City of Sedona has developed into a major tourist and art center. The primary contributors to the City's economy are tourism, services, retirement, and commerce. The two largest employment sectors are service and trade. Activities in these employment sectors are characterized by proprietor owned and operated business establishments.

The National Forest Service estimates that over three million visitors per year visit the "Red Rock Country" of Sedona and Oak Creek Canyon. The City is home to red sandstone geological formations, which have become a tourist attraction for the area. Along with the scenic attractions, the city offers approximately 50 art galleries where local artists display their works. The City of Sedona and the Village of Oak Creek have two nine-hole golf courses, two 18-hole golf courses, and approximately 100 restaurants servicing over 2,000 hotel/motel/resort units.

Sedona's natural beauty continues to attract visitors from all over the world. The tourist industry in Sedona has seen improvements as the national economy has improved. With a recent new highway design for entering Sedona, and the City's street improvement projects, the City is expecting an increase in tourism over the next few years.

Long-term Financial Planning. *Overrides Renewal.* The Finance Director and Superintendent made a recommendation to the Board to call for an election for the renewal of the current override in July 2018. The November 2018 election was successful in reinstating the previous override at the full 15% for the FY 19. With successful passage, the District was able to maintain the use of the additional funds for up to five years in those areas identified through the District's needs assessment. Areas include full day kindergarten, school safety, class sizes, and specials programs.

The District has conducted a long-range enrollment trend analysis based on historical data and current cohort projections. The study showed that the District's enrollment has been steadily decreasing over the past 10 years and as several small cohorts move through the system and enter the High School, the District will be faced with reduced funding. This is in large part due to the State of Arizona budget formula and the additional funding weights that are applied to high school students.

Study of Maximization of Dollars in the Classroom. The Business Manager, Superintendent, and School Principals perform an annual analysis of staffing needs in preparation of budget development. Examinations of classroom expenditures are continually performed. With the junior high restructuring, and the consolidation of the elementary schools, much of the savings were put into increased salaries for teaching staff.

Updating of Five-Year Capital Maintenance and Technology Plan. The Business Manager, Facilities Manager, IT Director and Superintendent meet annually to look at the condition of facilities and District technology equipment. At that time, the expenditure of available funds is determined based on urgency of need and requests from site principals. These needs and requests are then placed in a five-year plan. In FY19 the district upgraded its phone system to an internet based system reducing costs and providing better communication. The district also changed its email and educational software to Google Suite saving money by using this free platform. Each school site is placed on a rotation for equipment upgrades and software renewals. Both the capital maintenance plan and the technology plan have a contingency line item for emergency items in any given year.

The Governing Board approved entering into a Guaranteed Saving Agreement for Energy Saving Improvement with Midstate Energy during fiscal year 2015-16. This resulted in a Qualified Zone Academy Bond (QZAB) in the amount of \$1,850,240 for 15 years at 0% interest. The QZAB will be paid from the guaranteed net savings resulting from energy conservation. In addition, this project included lighting upgrades, water upgrades along with an energy behavior and data management system.

General Fund Balances. The District's budgeting process includes plans to increase the general fund cash balances and prepaid insurance accounts. By so doing, a positive cash balance in the general fund will aide in maintaining the current tax rates. The prepaid account balances will be available to offset or partially offset any future state cuts to District's funding levels.

Awards and Acknowledgments

Awards. The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its annual comprehensive financial report for the fiscal year ended June 30, 2023. This was the 30th consecutive year that the District has received this prestigious award. In addition, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its annual comprehensive financial report for the fiscal year ended June 30, 2023. In order to be awarded these certificates, the District published an easily readable and efficiently organized annual comprehensive financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

These certificates are valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the programs' requirements and we are submitting it to ASBO and GFOA to determine its eligibility for the fiscal year ended June 30, 2024 certificates.

Acknowledgments. The preparation of the annual comprehensive financial report on a timely basis was made possible by the dedicated service of the entire staff of the business and finance department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

In closing, without the leadership and support of the Governing Board of the District, preparation of this report would not have been possible.

Respectfully submitted,



Thomas Swaninger
Superintendent



Stacy Saravo
Director of Finance/HR



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

**Sedona-Oak Creek Joint Unified School
District 9**

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2023.**

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, reading 'Ryan S. Stechschulte'.

Ryan S. Stechschulte
President

A handwritten signature in black ink, reading 'James M. Rowan'.

James M. Rowan, CAE, SFO
CEO/Executive Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Sedona-Oak Creek Joint Unified School District No. 9
Arizona**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

Sedona-Oak Creek JUSD #9
Organizational Chart 2023-2024

Governing Board

Randy Hawley - President
414-530-0796
Lauren Robinson - Vice President
928-274-8241
Karen McClelland, Member
928-301-2914
April Payne, Member
928-606-4474
David Price, Member
831-233-8131

Tom Swaninger, **Superintendent** - 928-204-6800

Sedona Red Rock High School

Heather Isom, Principal
928-204-6707
George Gleason, Asst Principal
928-204-6709

West Sedona School

Elizabeth Tavasci, Principal
204-6600

District Office

204-6800
Stacy Saravo, Finance/HR
Director
Amanda Stanfield,
Board Secretary/Asst
Business Manager
Lesley Singletary, Payroll
Terri Prigge, AP

District-Wide Staff

Deana DeWitt, Assistant Superintendent/
Curriculum Director
928-204-6836
Jennifer Chilton, Director of Operations
928-204-6828
John Parks, Director of Technology
928-204-9700
Vicki Gann, Transportation Director
928-204-6639
Roy Anthony, (SFE) Food Service
928-204-6717

School Staff

Sedona-Oak Creek Joint Unified School District No. 9

List of Principal Officials

Governing Board

Randy Hawley, President

Lauren Robinson, Vice President

Karen McClelland, Member

David Price, Member

April Payne, Member

Administrative Staff

Dr. Thomas Swaninger, Superintendent

Stacy Saravo, Director of HR & Finance

Financial Section

(This page intentionally left blank)

Independent Auditor's Report

Governing Board
Sedona-Oak Creek Joint Unified School District No. 9

Report on Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Sedona-Oak Creek Joint Unified School District No. 9 (District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Sedona-Oak Creek Joint Unified School District No. 9, as of June 30, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Sedona-Oak Creek Joint Unified School District No. 9 and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, and net pension liability information as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Combining and Individual Fund Financial Statements and Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual Fund Financial Statements and Schedules information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section and Statistical Section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on other work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2024, on our consideration of Sedona-Oak Creek Joint Unified School District No. 9's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Sedona-Oak Creek Joint Unified School District No. 9's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Sedona-Oak Creek Joint Unified School District No. 9's internal control over financial reporting and compliance.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Flagstaff, Arizona
December 20, 2024

(This page intentionally left blank)

Management's Discussion and Analysis (MD&A)
(Required Supplementary Information)

(This page intentionally left blank)

Sedona-Oak Creek Joint Unified School District No. 9
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2024

As management of the Sedona-Oak Creek Joint Unified School District No. 9 (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2024. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The District's total net position of governmental activities increased \$166,263 which represents a 0 percent increase from the prior fiscal year.
- General revenues accounted for \$11.3 million in revenue, or 85 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$2.1 million or 15 percent of total current fiscal year revenues.
- The District had approximately \$13.2 million in expenses related to governmental activities, an increase of one percent from the prior fiscal year.
- Among major funds, the General Fund had \$7.6 million current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$7.6 million in expenditures. The General Fund's fund balance decrease from \$3.2 million at the prior fiscal year end to \$3.1 million at the end of the current fiscal year was primarily due to increased expenditures for salaries and benefits.

Overview of Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. The accrual basis of accounting is used for the government-wide financial statements.

Sedona-Oak Creek Joint Unified School District No. 9
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2024

Overview of Financial Statements

The statement of net position presents information on all of the District's assets, liabilities, and deferred inflows/outflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

The government-wide financial statements outline functions of the District that are principally supported by property taxes and intergovernmental revenues. The governmental activities of the District include instruction, support services, operation and maintenance of plant services, student transportation services, operation of non-instructional services, and interest on long-term debt.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are reported as governmental funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements use the modified accrual basis of accounting and focus on near-term inflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Sedona-Oak Creek Joint Unified School District No. 9
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2024

Overview of Financial Statements

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Classroom Site, Other Special Revenue, and Debt Service Funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and schedules.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget process and pension plan. The District adopts an annual expenditure budget for all governmental funds. A schedule of revenues, expenditures and changes in fund balances – budget and actual has been provided for the General Fund and major Special Revenue Fund as required supplementary information. Schedules for the pension plan have been provided as required supplementary information.

Government-Wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$38.5 million at the current fiscal year end.

The largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, and vehicles, furniture and equipment), less any related outstanding debt used to acquire those assets. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related outstanding debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. In addition, a portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance is unrestricted and may be used to meet the District's ongoing obligations to its citizens and creditors.

Sedona-Oak Creek Joint Unified School District No. 9
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2024

Government-Wide Financial Analysis

The following table presents a summary of the District's net position for the fiscal years ended June 30, 2024 and June 30, 2023.

	As of June 30, 2024	As of June 30, 2023, as restated
Current and other assets	\$ 8,957,636	\$ 9,811,625
Capital assets, net	52,835,520	55,268,624
Total assets	<u>61,793,156</u>	<u>65,080,249</u>
Deferred outflows	<u>2,024,874</u>	<u>2,627,617</u>
Current and other liabilities	216,398	218,550
Long-term liabilities	22,062,825	26,077,172
Total liabilities	<u>22,279,223</u>	<u>26,295,722</u>
Deferred inflows	<u>3,055,226</u>	<u>3,094,826</u>
Net position:		
Net investment in capital assets	37,935,697	37,167,003
Restricted	3,062,313	3,177,346
Unrestricted	(2,514,429)	(2,027,031)
Total net position	<u>\$ 38,483,581</u>	<u>\$ 38,317,318</u>

At the end of the current fiscal year, the District reported a negative unrestricted net position of \$2.5 million as a result of the District's proportionate share of the state pension plan's unfunded liability. Positive net position was reported in the other two categories. The same situation held true for the prior fiscal year.

The District's financial position is the product of several financial transactions including the net result of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets. The following are significant current year transactions that have had an impact on the Statement of Net Position.

- The principal retirement of \$2.9 million in outstanding bonded debt.
- The depreciation of existing assets resulting in the addition of \$2.7 million in accumulated depreciation.

Sedona-Oak Creek Joint Unified School District No. 9
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2024

Government-Wide Financial Analysis

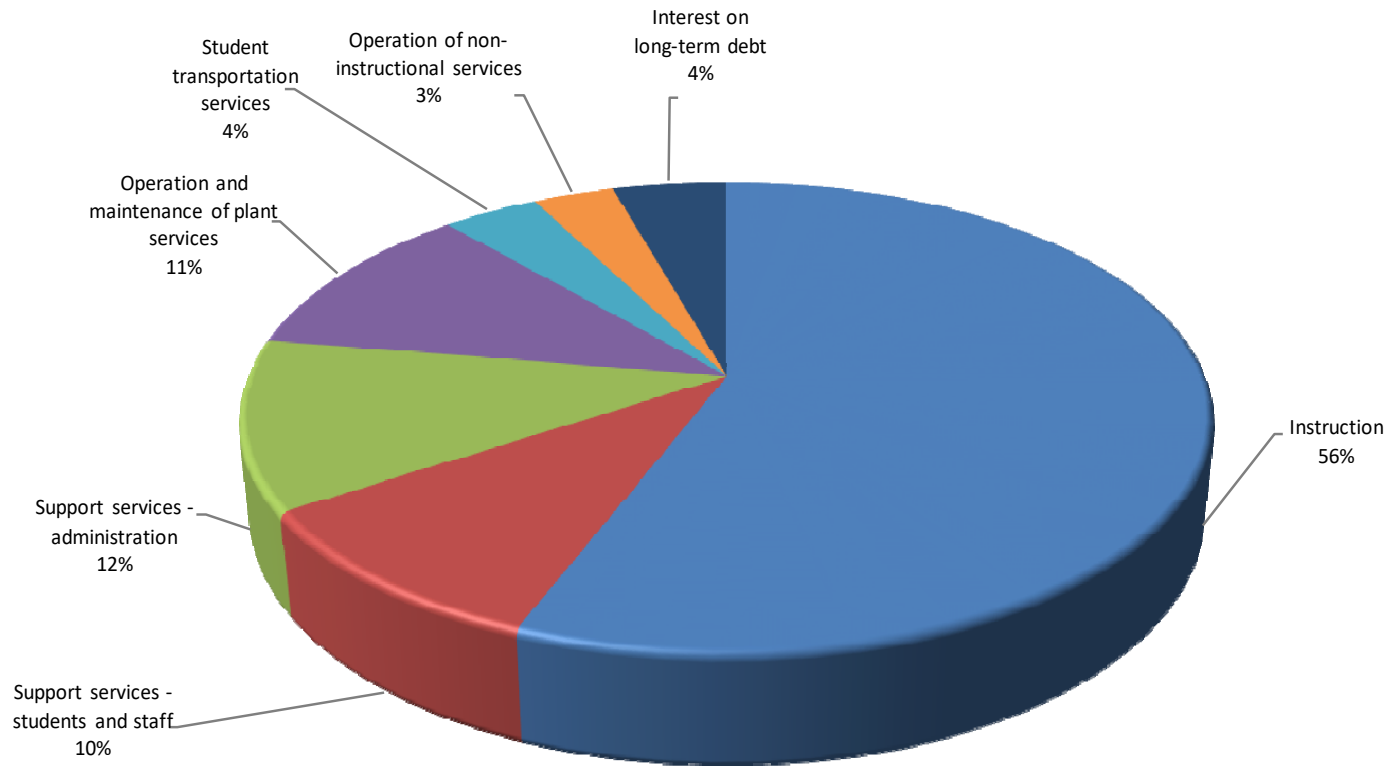
Changes in net position. The District's total revenues for the current fiscal year were \$13.4 million. The total cost of all programs and services was \$13.2 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2024 and June 30, 2023.

	Fiscal Year Ended June 30, 2024	Fiscal Year Ended June 30, 2023, as restated
Revenues:		
Program revenues:		
Charges for services	\$ 667,837	\$ 756,903
Operating grants and contributions	1,218,467	1,565,693
Capital grants and contributions	180,536	92,227
General revenues:		
Property taxes	8,854,056	10,247,585
Investment income	168,700	259,129
Unrestricted state aid	2,231,527	1,813,018
Unrestricted federal aid	44,971	53,258
Total revenues	<u>13,366,094</u>	<u>14,787,813</u>
Expenses:		
Instruction	7,392,995	5,642,187
Support services - students and staff	1,309,402	1,179,052
Support services - administration	1,530,309	1,423,113
Operation and maintenance of plant services	1,448,239	1,487,146
Student transportation services	503,019	553,843
Operation of non-instructional services	423,230	426,756
Interest on long-term debt	592,637	790,155
Total expenses	<u>13,199,831</u>	<u>11,502,252</u>
Changes in net position	166,263	3,285,561
Net position, beginning, as restated	<u>38,317,318</u>	<u>35,031,757</u>
Net position, ending	<u><u>\$ 38,483,581</u></u>	<u><u>\$ 38,317,318</u></u>

Sedona-Oak Creek Joint Unified School District No. 9
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2024

Government-Wide Financial Analysis

Expenses - Fiscal Year 2024



The following are significant current year transactions that has had an impact on the change in net position.

- An increase in unrestricted state aid of \$418,509, primarily due to increased funding received from State legislature.
- A decrease of \$1.4 million in property taxes due to a scheduled decrease in bonded debt payments.

The following table presents the cost of the District's major functional activities. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and District's taxpayers by each of these functions.

Sedona-Oak Creek Joint Unified School District No. 9
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2024

Government-Wide Financial Analysis

	Year Ended June 30, 2024		Year Ended June 30, 2023, as restated	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
Instruction	\$ 7,392,995	\$ (6,578,682)	\$ 5,642,187	\$ (4,125,805)
Support services - students and staff	1,309,402	(1,299,776)	1,179,052	(1,109,422)
Support services - administration	1,530,309	(1,522,343)	1,423,113	(1,423,113)
Operation and maintenance of plant services	1,448,239	(1,063,779)	1,487,146	(1,075,960)
Student transportation services	503,019	(55,905)	553,843	(551,091)
Operation of non-instructional services	423,230	(19,869)	426,756	(11,883)
Interest on long-term debt	592,637	(592,637)	790,155	(790,155)
Total	<u>\$ 13,199,831</u>	<u>\$ (11,132,991)</u>	<u>\$ 11,502,252</u>	<u>\$ (9,087,429)</u>

- The cost of all governmental activities this year was \$13.2 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$2.1 million.
- Net cost of governmental activities of \$11.1 million was financed by general revenues, which are made up of primarily property taxes of \$8.9 million and state aid of \$2.2 million. Investment earnings accounted for \$168,700 of funding.

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$6.1 million, a decrease of \$19,271, which is an immaterial decrease.

Sedona-Oak Creek Joint Unified School District No. 9
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2024

Financial Analysis of the District's Funds

The General Fund comprises 51 percent of the total fund balance. Approximately \$3.1 million, or 100 percent of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District. The fund balance decreased \$122,004, or four percent, to \$3.1 million as of fiscal year end. General Fund revenues increased \$811,642, or 12 percent. The increase was primarily due to an increase in state aid. General Fund expenditures increased \$562,040, or eight percent primarily due to increases in salaries and benefits.

The Classroom Site Fund's fund balance increased \$202,796 to \$1.0 million as of fiscal year end primarily as a result of increased state revenues received.

The Other Special Revenue Fund's fund balance decreased \$265,735 to \$1.4 million at fiscal year-end primarily as a result of less local revenues received.

The Debt Service Fund's fund balance decreased \$123,943 to \$303,227 at fiscal year-end primarily due to a decrease in property tax revenues.

Budgetary Highlights

Over the course of the year, the District revised the General Fund annual expenditure budget for changes in student counts. The difference between the original budget and the final amended budget was a \$773,947 increase, or 12 percent. The increase was primarily due to an increase in average daily membership.

Significant variances for the final amended budget and actual revenues resulted from the District not being required by the State of Arizona to prepare a revenue budget. A schedule showing the original and final budget amounts compared to the District's actual financial activity for the General Fund is provided in this report as required supplementary information. The favorable variance of \$339,922 in operation and maintenance of plant services expenditures was a result of various unfilled positions.

Capital Assets and Debt Administration

Capital Assets. At year end, the District had invested \$99.9 million in capital assets, including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount is the same as the prior fiscal year. Total depreciation expense for the current fiscal year was \$2.7 million.

Sedona-Oak Creek Joint Unified School District No. 9
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2024

Capital Assets and Debt Administration

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2024 and June 30, 2023.

	As of	As of
	June 30, 2024	June 30, 2024, as restated
Capital assets - non-depreciable	\$ 4,971,462	\$ 4,971,462
Capital assets - depreciable, net	47,864,058	50,297,162
Total	<u>\$ 52,835,520</u>	<u>\$ 55,268,624</u>

Additional information on the District's capital assets can be found in Note 7.

Debt Administration. At year end, the District had \$16.1 million in long-term debt outstanding, \$3.2 million due within one year. Long-term debt decreased by \$3.5 million due to the current year principal retirement of debt.

The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds (up to 30 percent of the total net full cash assessed valuation) and the statutory debt limit on Class B bonds (the greater of 20 percent of the net full cash assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$304.6 million and the Class B debt limit is \$203.1 million, which are more than the District's outstanding general obligation and Class B debt, respectively.

Additional information on the District's long-term debt can be found in Notes 9 through 12.

Economic Factors and Next Year's Budget and Rates

Many factors were considered by the District's administration during the process of developing the fiscal year 2024-25 budget. Among them:

- Fiscal year 2023-24 budget balance carry forward (estimated \$549,766).
- District student population (estimated 710).
- Employee salaries.

**Sedona-Oak Creek Joint Unified School District No. 9
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2024**

Economic Factors and Next Year's Budget and Rates

Also considered in the development of the budget is the local economy and inflation of the surrounding area.

Budgeted expenditures in the General Fund decreased 15 percent to \$6.1 million in fiscal year 2024-25. The reason for the decrease in budgeted expenditures was the result of a decrease in average daily membership. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2024-25 budget.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Business and Finance Department, Sedona-Oak Creek Joint Unified School District No. 9, 995 Upper Red Rock Loop Road, Sedona, Arizona 86336.

Basic Financial Statements

(This page intentionally left blank)

Government-Wide Financial Statements

Sedona-Oak Creek Joint Unified School District No. 9
Statement of Net Position
June 30, 2024

	Governmental Activities
Assets	
Current assets:	
Cash and investments	\$ 5,978,159
Property taxes receivable	100,885
Accounts receivable	5,587
Due from governmental entities	306,686
Inventory	1,522
Leases receivable	2,564,797
Total current assets	<u>8,957,636</u>
Noncurrent assets:	
Capital assets not being depreciated	4,971,462
Capital assets, net accumulated depreciation	47,864,058
Total noncurrent assets	<u>52,835,520</u>
Total assets	<u>61,793,156</u>
Deferred outflows of resources	
Deferred charge on refunding	1,151,898
Pension plan items	872,976
Total deferred outflows of resources	<u>2,024,874</u>
Liabilities	
Current liabilities:	
Accounts payable	65,656
Accrued payroll and employee benefits	127,855
Unearned revenues	22,887
Compensated absences payable	13,000
Financed purchases payable	123,349
Leases payable	26,662
Bonds payable	3,070,000
Total current liabilities	<u>3,449,409</u>
Noncurrent liabilities:	
Non-current portion of long-term obligations	18,829,814
Total noncurrent liabilities	<u>18,829,814</u>
Total liabilities	<u>22,279,223</u>
Deferred inflows of resources	
Pension plan items	525,461
Leases	2,529,765
Total deferred inflows of resources	<u>3,055,226</u>
Net position	
Net investment in capital assets	37,935,697
Restricted for:	
Instruction	2,301,658
Food service	114,018
Non-instructional purposes	215,895
Debt service	336,937
Capital outlay	93,805
Unrestricted	(2,514,429)
Total net position	<u>\$ 38,483,581</u>

Sedona-Oak Creek Joint Unified School District No. 9
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenue			Net (Expense)
		Charges for	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
		Services			Governmental Activities
Governmental activities					
Instruction	\$ 7,392,995	\$ 228,499	\$ 405,278	\$ 180,536	\$ (6,578,682)
Support services - students and staff	1,309,402		9,626		(1,299,776)
Support services - administration	1,530,309		7,966		(1,522,343)
Operation and maintenance of plant services	1,448,239	351,228	33,232		(1,063,779)
Student transportation services	503,019		447,114		(55,905)
Operation of non-instructional services	423,230	88,110	315,251		(19,869)
Interest on long-term debt	592,637				(592,637)
Total governmental activities	<u>\$ 13,199,831</u>	<u>\$ 667,837</u>	<u>\$ 1,218,467</u>	<u>\$ 180,536</u>	<u>(11,132,991)</u>
General revenues					
Property taxes					8,854,056
Investment income					168,700
Unrestricted state aid					2,231,527
Unrestricted federal aid					44,971
Total general revenues					<u>11,299,254</u>
Changes in net position					166,263
Net position, beginning of year, previously reported					36,519,867
Adjustments to beginning net position					<u>1,797,451</u>
Net position, beginning of year, as restated					<u>38,317,318</u>
Net position, end of year					<u>\$ 38,483,581</u>

(This page intentionally left blank)

Fund Financial Statements

Sedona-Oak Creek Joint Unified School District No. 9

**Balance Sheet
Governmental Funds
June 30, 2024**

	General	Classroom Site	Other Special Revenue	Debt Service
Assets				
Cash and investments	\$ 2,999,822	\$ 1,032,933	\$ 1,059,630	\$ 292,994
Accounts receivable	5,587			
Property taxes receivable	56,942			43,943
Due from governmental entities	23,729		59,115	
Due from other funds	149,818			
Inventory				
Leases receivable	2,564,797			
Total assets	<u>\$ 5,800,695</u>	<u>\$ 1,032,933</u>	<u>\$ 1,118,745</u>	<u>\$ 336,937</u>
Liabilities				
Accounts payable	\$ 52,950	\$	\$ 1,686	\$
Due to other funds				
Accrued payroll and employee benefits	100,731		10,009	
Unearned revenues	12,641			
Total liabilities	<u>166,322</u>		<u>11,695</u>	
Deferred inflows of resources				
Unavailable revenues - property taxes	28,767			33,710
Unavailable revenues - intergovernmental				
Leases	2,529,765			
Total deferred inflows of resources	<u>2,558,532</u>			<u>33,710</u>
Fund balances				
Nonspendable				
Restricted		1,032,933	1,107,050	303,227
Unassigned	3,075,841			
Total fund balances	<u>3,075,841</u>	<u>1,032,933</u>	<u>1,107,050</u>	<u>303,227</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,800,695</u>	<u>\$ 1,032,933</u>	<u>\$ 1,118,745</u>	<u>\$ 336,937</u>

Non-Major Governmental Funds	Total Governmental Funds
\$ 592,780	\$ 5,978,159
	5,587
	100,885
223,842	306,686
	149,818
1,522	1,522
	2,564,797
<u>\$ 818,144</u>	<u>\$ 9,107,454</u>

\$ 11,020	\$ 65,656
149,818	149,818
17,115	127,855
10,246	22,887
<u>188,199</u>	<u>366,216</u>

	62,477
85,077	85,077
	2,529,765
<u>85,077</u>	<u>2,677,319</u>

1,522	1,522
617,964	3,061,174
(74,618)	3,001,223
<u>544,868</u>	<u>6,063,919</u>

<u>\$ 818,144</u>	<u>\$ 9,107,454</u>
-------------------	---------------------

(This page intentionally left blank)

Sedona-Oak Creek Joint Unified School District No. 9
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2024

Total fund balances - governmental funds **\$ 6,063,919**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Governmental capital assets	99,846,247	
Less accumulated depreciation/amortization	<u>(47,010,727)</u>	
		52,835,520

Some receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds.

Property taxes	62,477	
Intergovernmental	<u>85,077</u>	
		147,554

Deferred items related to the refunding of bonds are amortized over the life of the associated bond issue in the government-wide statements but not reported in the funds.		1,151,898
--	--	-----------

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources related to pensions	872,976	
Deferred inflows of resources related to pensions	<u>(525,461)</u>	
		347,515

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Compensated absences payable	(136,377)	
Financed purchases payable	(986,792)	
Leases payable	(80,187)	
Bonds payable	(15,029,294)	
Net pension liability	<u>(5,830,175)</u>	
		<u>(22,062,825)</u>

Net position of governmental activities **\$ 38,483,581**

Sedona-Oak Creek Joint Unified School District No. 9
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	General	Classroom Site	Federal and State Grants	Other Special Revenue
Revenues				
Other local	\$ 350,854	\$ 34,560	\$	\$ 622,209
Property taxes	5,759,258			
State aid and grants	1,410,619	767,760		
Federal aid, grants and reimbursements	56,059			
Total revenues	<u>7,576,790</u>	<u>802,320</u>	<u></u>	<u>622,209</u>
Expenditures				
Current:				
Instruction	3,381,502	540,254		523,255
Support services - students and staff	1,088,468	59,270		426
Support services - administration	1,350,091			69,992
Operation and maintenance of plant services	1,119,431			291,974
Student transportation services	468,360			2,297
Operation of non-instructional services	2,688			
Capital outlay	139,444			
Debt service:				
Principal retirement	26,596			
Interest and fiscal charges	236			
Total expenditures	<u>7,576,816</u>	<u>599,524</u>	<u></u>	<u>887,944</u>
Excess (deficiency) of revenues over expenditures	<u>(26)</u>	<u>202,796</u>	<u></u>	<u>(265,735)</u>
Other financing sources (uses)				
Transfers in	8,872			
Transfers out	(130,850)			
Total other financing sources (uses)	<u>(121,978)</u>	<u></u>	<u></u>	<u></u>
Changes in fund balances	<u>(122,004)</u>	<u>202,796</u>	<u></u>	<u>(265,735)</u>
Fund balances, beginning of year, previously reported	3,197,845		(298,852)	1,372,785
Adjustments to beginning fund balances		830,137	298,852	
Fund balances, beginning of year, as restated	<u>3,197,845</u>	<u>830,137</u>	<u></u>	<u>1,372,785</u>
Fund balances, end of year	<u>\$ 3,075,841</u>	<u>\$ 1,032,933</u>	<u>\$</u>	<u>\$ 1,107,050</u>

Debt Service	Non-Major Governmental Funds	Total Governmental Funds
\$ 17,958	\$ 100,823	\$ 1,126,404
3,495,577		9,254,835
	74,212	2,252,591
	<u>1,296,065</u>	<u>1,352,124</u>
<u>3,513,535</u>	<u>1,471,100</u>	<u>13,985,954</u>
725	447,543	4,893,279
	137,487	1,285,651
	190	1,420,273
	2,232	1,413,637
	2,354	473,011
	403,841	406,529
	178,966	318,410
2,920,000	123,349	3,069,945
<u>724,254</u>		<u>724,490</u>
<u>3,644,979</u>	<u>1,295,962</u>	<u>14,005,225</u>
<u>(131,444)</u>	<u>175,138</u>	<u>(19,271)</u>
7,501	123,349	139,722
	<u>(8,872)</u>	<u>(139,722)</u>
<u>7,501</u>	<u>114,477</u>	
<u>(123,943)</u>	<u>289,615</u>	<u>(19,271)</u>
427,170	1,384,242	6,083,190
	<u>(1,128,989)</u>	
<u>427,170</u>	<u>255,253</u>	<u>6,083,190</u>
<u>\$ 303,227</u>	<u>\$ 544,868</u>	<u>\$ 6,063,919</u>

Sedona-Oak Creek Joint Unified School District No. 9
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2024

Changes in fund balances - total governmental funds **\$ (19,271)**

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report the portion of capital outlay for capitalized assets as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives and reported as depreciation/amortization expense.

Expenditures for capitalized assets	\$ 232,096	
Less current year depreciation/amortization	<u>(2,665,200)</u>	
		(2,433,104)

Some revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes	(400,779)	
Intergovernmental	<u>(219,081)</u>	
		(619,860)

Repayments of long-term debt principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Financed purchase principal retirement	123,349	
Lease principal retirement	26,596	
Bond principal retirement	<u>2,920,000</u>	
		3,069,945

Governmental funds report pension contributions as expenditures. However, they are reported as deferred outflows of resources in the Statement of Net Position. The change in the net pension liability, adjusted for deferred items, is reported as pension expense in the Statement of Activities.

Current year pension contributions	610,096	
Pension expense	<u>(534,733)</u>	
		75,363

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Deferred bond items on issuance of refunding debt	(287,973)	
Amortization of deferred bond items	419,826	
Compensated absences	<u>(38,663)</u>	
		93,190

Changes in net position in governmental activities **\$ 166,263**

Sedona-Oak Creek Joint Unified School District No. 9
Notes to Financial Statements
June 30, 2024

Note 1 – Summary of Significant Accounting Policies

The financial statements of the Sedona-Oak Creek Joint Unified School District No. 9 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the District's accounting policies are described below.

A. Reporting Entity

Residents of Coconino and Yavapai counties voted to form a new school district in fiscal year 1991-92. This 93 percent voter approval resulted in the creation of the Sedona-Oak Creek Joint Unified School District No. 9. The District was formed from a portion of Cottonwood-Oak Creek Elementary School District No. 6 of Yavapai County, Arizona; Mingus Union High School District No. 4 of Yavapai County, Arizona; and Flagstaff Unified School District No. 1 of Coconino County, Arizona. The District is located in both Yavapai and Coconino counties.

The Governing Board is organized under Section 15-321 of the Arizona Revised Statutes (A.R.S.). Management of the District is independent of other state or local governments. The County Treasurer collects taxes for the District, but exercises no control over its expenditures/expenses.

The membership of the Governing Board consists of five members elected by the public. Under existing statutes, the Governing Board's duties and powers include, but are not limited to, the acquisition, maintenance and disposition of school property; the development and adoption of a school program; and the establishment, organization and operation of schools.

The Board also has broad financial responsibilities, including the approval of the annual budget, and the establishment of a system of accounting and budgetary controls.

The financial reporting entity consists of a primary government and its component units. A component unit is a legally separate entity that must be included in the reporting entity in conformity with generally accepted accounting principles. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments.

Sedona-Oak Creek Joint Unified School District No. 9
Notes to Financial Statements
June 30, 2024

Note 1 – Summary of Significant Accounting Policies

Furthermore, there are no component units combined with the District for financial statement presentation purposes, and the District is not included in any other governmental reporting entity. Consequently, the District's financial statements include only the funds of those organizational entities for which its elected governing board is financially accountable. The District's major operations include education, student transportation, construction and maintenance of District facilities, food services, bookstore, and athletic functions.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information about the District as a whole. The reported information includes all of the nonfiduciary activities of the District. For the most part, the effect of internal activity has been removed from these statements. These statements are to distinguish between the governmental and business-type activities of the District. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District does not have any business-type activities or fiduciary activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The District does not allocate indirect expenses to programs or functions. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, unrestricted federal and state aid, and other items not included among program revenues are reported instead as general revenues.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements – The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. As a general rule, the effect of internal activity has been eliminated from the government-wide financial statements; however, the effects of interfund services provided and used between functions are reported as expenses and program revenues at amounts approximating their external exchange value.

Sedona-Oak Creek Joint Unified School District No. 9
Notes to Financial Statements
June 30, 2024

Note 1 – Summary of Significant Accounting Policies

Fund Financial Statements – Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Issuances of long-term debt and acquisitions under lease contracts and subscription-based information technology arrangements are reported as other financing sources.

Property taxes, federal, state aid, tuition and investment income associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Food services and miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash. Grants and similar awards are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. Unearned revenues arise when resources are received by the District before it has legal claim to them, as when grant monies are received prior to meeting all eligibility requirements imposed by the provider.

Delinquent property taxes and other receivables that will not be collected within the available period have been reported as unavailable revenues on the governmental fund financial statements.

The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

The District reports the following major governmental funds:

General Fund – The General Fund is the District’s primary operating fund. It accounts for all resources used to finance District maintenance and operation except those required to be accounted for in other funds. The General Fund includes the District’s Maintenance and Operation Fund and the Unrestricted Capital Outlay Fund, as well as certain activities budgeted in separate funds in accordance with A.R.S. These funds are maintained as separate funds for budgetary purposes but do not meet the criteria for separate reporting in the financial statements.

Sedona-Oak Creek Joint Unified School District No. 9
Notes to Financial Statements
June 30, 2024

Note 1 – Summary of Significant Accounting Policies

Classroom Site – The Classroom Site Fund accounts for the financial activity for the portion of state sales tax collections and permanent state school fund earnings

Other Special Revenue Fund – The Other Special Revenue Fund accounts for the revenues and expenditures of other special revenue activities, including the following: civic center, community school, auxiliary operations, extracurricular activities fees tax credit, and student activities.

Debt Service Fund – The Debt Service Fund accounts for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs.

D. Cash and Investments

A.R.S. require the District to deposit all cash with the County Treasurer, except as discussed below. Cash with the County Treasurer is pooled for investment purposes, except for cash of the Debt Service and Bond Building Funds that may be invested separately. Interest earned from investments purchased with pooled monies is allocated to each of the District's funds based on their average balances. As required by statute, interest earnings of the Bond Building Fund are recorded initially in that fund, but then transferred to the Debt Service Fund. All investments are stated at fair value.

Statute authorizes the District to separately invest monies of the Bond Building and Debt Service Funds in the State Treasurer's investment pools; obligations issued and guaranteed by the United States or any of its agencies or instrumentalities; specified state and local government bonds and notes; and interest bearing savings accounts or certificates of deposit.

Statute authorizes the District to deposit monies of the Auxiliary Operations and Student Activities Funds in bank accounts. Monies in these funds may also be invested. In addition, statute authorizes the District to maintain various bank accounts such as clearing accounts to temporarily deposit receipts before they are transmitted to the County Treasurer; revolving accounts to pay minor disbursements; and withholdings accounts for taxes and employee insurance programs. Some of these bank accounts may be interest bearing.

Sedona-Oak Creek Joint Unified School District No. 9
Notes to Financial Statements
June 30, 2024

Note 1 – Summary of Significant Accounting Policies

Statute does not include any requirements for credit risk, concentration of credit risk, interest rate risk, or foreign currency risk. Arizona statute requires a pooled collateral program for public deposits and a Statewide Collateral Pool Administrator (Administrator) in the State Treasurer's Office. The purpose of the pooled collateral program is to ensure that governmental entities' public deposits placed in participating depositories are secured with collateral of 102 percent of the public deposits, less any applicable federal depository insurance. An eligible depository may not retain or accept any public deposit unless it has deposited the required collateral with a qualified escrow agent or the Administrator. The Administrator manages the pooled collateral program, including reporting on each depository's compliance with the program.

E. Investment Income

Investment income is composed of interest, dividends, and net changes in the fair value of applicable investments. Investment income is included in other local revenue in the fund financial statements.

F. Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Interfund balances between governmental funds are eliminated on the Statement of Net Position.

All receivables, including property taxes receivable, are shown net of an allowance for uncollectibles.

G. Property Tax Calendar

The County Treasurer is responsible for collecting property taxes for all governmental entities within the county. The county levies real and personal property taxes on or before the third Monday in August that become due and payable in two equal installments. The first installment is due on the first day of October and becomes delinquent after the first business day of November. The second installment is due on the first day of March of the next year and becomes delinquent after the first business day of May.

Sedona-Oak Creek Joint Unified School District No. 9
Notes to Financial Statements
June 30, 2024

Note 1 – Summary of Significant Accounting Policies

Pursuant to A.R.S., a lien against assessed real and personal property attaches on the first day of January preceding assessment and levy; however according to case law, an enforceable legal claim to the asset does not arise.

H. Inventory

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories consist of expendable supplies held for consumption. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased. The United States Department of Agriculture (USDA) commodity portion of the food services inventory consists of food donated by the USDA. It is valued at estimated market prices paid by the USDA.

I. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

J. Capital Assets

Capital assets, which include land and improvements; buildings and improvements; vehicles, furniture, and equipment; and intangible right-to-use assets, are reported in the government-wide financial statements.

Capital assets are defined by the District as assets with an initial, individual cost in excess of \$5,000 and an estimated useful life of more than one year. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Capital assets are depreciated using the straight-line method over the estimated useful life of the asset. Intangible right-to-use assets are amortized over the shorter of the lease/subscription term or the underlying asset's useful life. The estimated useful lives and amortization periods are as follows:

Land improvements	15 – 20 years
Buildings and improvements	7 – 50 years
Vehicles, furniture and equipment	3 – 20 years
intangible right-to-use assets	5 years

Sedona-Oak Creek Joint Unified School District No. 9
Notes to Financial Statements
June 30, 2024

Note 1 – Summary of Significant Accounting Policies

K. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position may report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position may report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

L. Compensated Absences

The District's employee vacation and sick leave policies generally provide for granting vacation and sick leave with pay in varying amounts. Only benefits considered vested are recognized in the financial statements. The liability for vacation and sick leave is reported in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee leave, resignations and retirements. Generally, resources from the General Fund are used to pay for compensated absences.

M. Leases

As lessor, the District recognizes lease receivables with an initial, individual value of \$6,000 or more. If there is no stated rate in the lease contract (or if the stated rate is not the rate the District charges the lessee) and the implicit rate cannot be determined, the District uses an interest rate based on the Applicable Federal Rate as the discount rate to measure lease receivables.

N. Pensions

For purposes of measuring the net pension liability, related deferred outflows of resources and deferred inflows of resources, and pension expense, information about the pension plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Sedona-Oak Creek Joint Unified School District No. 9
Notes to Financial Statements
June 30, 2024

Note 1 – Summary of Significant Accounting Policies

O. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Deferred amounts on refunding result from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

P. Interfund Activity

Flows of cash from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers between governmental funds are eliminated in the Statement of Activities. Interfund transfers in the fund financial statements are reported as other financing sources/uses in governmental funds.

Q. Net Position Flow Assumption

In the government-wide fund financial statements the District applies restricted resources first when outlays are incurred for purposes for which either restricted or unrestricted amounts are available.

R. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Sedona-Oak Creek Joint Unified School District No. 9
Notes to Financial Statements
June 30, 2024

Note 2 – Fund Balance Classifications

Fund balances of the governmental funds are reported separately within classifications based on a hierarchy of the constraints placed on the use of those resources. The classifications are based on the relative strength of the constraints that control how the specific amounts can be spent. The classifications are nonspendable, restricted, and unrestricted, which includes committed, assigned, and unassigned fund balance classifications.

Nonspendable. The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact.

Restricted. Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation.

Committed. The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action of the Governing Board. Those committed amounts cannot be used for any other purpose unless the Governing Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. No committed fund balance amounts are reported.

Assigned. Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Governing Board or the Finance Director, a management official delegated that authority, by the formal Governing Board action in accordance with adopted policy. The District does not have a formal policy or procedures for the utilization of assigned fund balance, accordingly, no assigned fund balance amounts are reported.

Unassigned. Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

Sedona-Oak Creek Joint Unified School District No. 9

Notes to Financial Statements

June 30, 2024

Note 2 – Fund Balance Classifications

The District applies restricted resources first when outlays are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

The table below provides detail of the major components of the District’s fund balance classifications at year end. Voter approved initiatives include monies restricted in the Classroom Site and Instructional Improvement funds.

	<u>General</u>	<u>Classroom Site</u>	<u>Other Special Revenue</u>	<u>Debt Service</u>	<u>Non-Major Governmental Funds</u>
Fund Balances:					
Nonspendable:					
Inventory	\$	\$	\$	\$	\$ 1,522
Restricted:					
Debt service				303,227	
Capital projects					93,805
Bond building projects					44,552
Voter approved initiatives		1,032,933			367,111
Auxiliary operations			167,416		
Food service					112,496
Civic center			207,124		
Community schools			8,771		
Extracurricular activities			308,430		
Gifts and donations			281,042		
Student activities			42,493		
Textbooks			5,873		
Grants and gifts to teachers			3,957		
Career technical education			81,944		
Unassigned	3,075,841				(74,618)
Total fund balances	<u>\$ 3,075,841</u>	<u>\$ 1,032,933</u>	<u>\$ 1,107,050</u>	<u>\$ 303,227</u>	<u>\$ 544,868</u>

Sedona-Oak Creek Joint Unified School District No. 9
Notes to Financial Statements
June 30, 2024

Note 3 – Stewardship, Compliance and Accountability

Individual Deficit Fund Balances – At year end, the Federal and State Grants Fund, a non-major governmental fund, reported a deficit in fund balance of \$74,618.

The deficit arose because of pending grant reimbursements. Additional revenues received in fiscal year 2024-25 are expected to eliminate the deficits.

Excess Expenditures Over Budget – At year end, the District had expenditures in funds that exceeded the budgets, however, this does not constitute a violation of any legal provisions.

Note 4 – Cash and Investments

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure the District's deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District's deposits was \$64,121, and the bank balance was \$110,257. None of the District's deposits were uninsured and uncollateralized at year end.

Fair Value Measurements. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

- Level 1 inputs are quoted prices in active markets for identical assets
- Level 2 inputs are significant other observable inputs
- Level 3 inputs are significant unobservable inputs

The County Treasurer's pool is an external investment pool with no regulatory oversight. The pool is not required to register (and is not registered) with the Securities and Exchange Commission. The fair value of each participant's position in the County Treasurer investment pool approximates the value of the participant's shares in the pool and the participants' shares are not identified with specific investments. Participants in the pool are not required to categorize the value of shares in accordance with the fair value hierarchy.

At year end, the District's investments consisted of the following:

	<u>Average Maturities</u>	<u>Fair Value</u>
County Treasurer's investment pool	8.2 months	\$ 5,914,038

Interest Rate Risk. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Sedona-Oak Creek Joint Unified School District No. 9
Notes to Financial Statements
June 30, 2024

Note 4 – Cash and Investments

Credit Risk. The District has no investment policy that would further limit its investment choices. As of year end, the District's investment in the County Treasurer's investment pool did not receive a credit quality rating from a national rating agency.

Custodial Credit Risk – Investments. The District's investment in the County Treasurer's investment pools represents a proportionate interest in the pool's portfolio; however, the District's portion is not identified with specific investments and is not subject to custodial credit risk.

Note 5 – Receivables

Receivable balances, net of allowance for uncollectibles, have been disaggregated by type and presented separately in the financial statements with the exception of due from governmental entities. Due from governmental entities, net of allowance for uncollectibles, as of year end for the District's individual major funds and non-major governmental funds in the aggregate were as follows:

	General	Other Special Revenue	Non-Major Governmental Funds
Due from other governmental entities:			
Due from federal government	\$ 11,088	\$	\$ 188,988
Due from state government	12,641		34,854
Due from other districts		59,115	
Net due from governmental entities	<u>\$ 23,729</u>	<u>\$ 59,115</u>	<u>\$ 223,842</u>

Note 6 – Leases Receivable

The District has entered into a contract to provide buildings that formerly served as the District's administration building and library under the provisions of a contract classified as a lease. The related receivable under the lease agreement has been recorded at the present value of its future minimum lease payments as of the inception date. Lease revenue of \$200,317 and related interest revenue of \$6,683 are recorded as other local revenue in the General Fund.

Sedona-Oak Creek Joint Unified School District No. 9
Notes to Financial Statements
June 30, 2024

Note 6 – Leases Receivable

Future minimum lease payments to be received under the lease agreement at year end are summarized as follows:

Year Ending June 30:		
2025	\$	173,250
2026		162,000
2027		162,000
2028		162,000
2029		162,000
2030-34		810,000
2035-39		810,000
2040-44		175,500
Total	\$	<u>2,616,750</u>

Note 7 – Capital Assets

A summary of capital asset activity for the current fiscal year follows:

Governmental Activities	Beginning Balance, as restated	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 4,971,462	\$	\$	\$ 4,971,462
Total capital assets, not being depreciated	<u>4,971,462</u>			<u>4,971,462</u>
Capital assets, being depreciated:				
Land improvements	11,683,505			11,683,505
Buildings and improvements	80,124,694	21,767		80,146,461
Vehicles, furniture and equipment	<u>2,725,983</u>	<u>210,329</u>		<u>2,936,312</u>
Total capital assets being depreciated	<u>94,534,182</u>	<u>232,096</u>		<u>94,766,278</u>
Less accumulated depreciation for:				
Land improvements	(9,742,371)	(565,539)		(10,307,910)
Buildings and improvements	(32,451,836)	(1,959,360)		(34,411,196)
Vehicles, furniture and equipment	<u>(2,176,153)</u>	<u>(115,468)</u>		<u>(2,291,621)</u>
Total accumulated depreciation	<u>(44,370,360)</u>	<u>(2,640,367)</u>		<u>(47,010,727)</u>
Total capital assets, being depreciated, net	<u>50,163,822</u>	<u>(2,408,271)</u>		<u>47,755,551</u>
Intangible right-to-use assets:				
Leased vehicles, furniture and equipment	133,340			133,340
Less accumulated amortization		(24,833)		(24,833)
Total intangible right-to-use assets, net	<u>133,340</u>	<u>(24,833)</u>		<u>108,507</u>
Governmental activities capital assets, net	<u>\$ 55,268,624</u>	<u>\$ (2,433,104)</u>	<u>\$</u>	<u>\$ 52,835,520</u>

Sedona-Oak Creek Joint Unified School District No. 9
Notes to Financial Statements
June 30, 2024

Note 7 – Capital Assets

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 2,459,233
Support services – students and staff	10,092
Support services – administration	128,757
Operation and maintenance of plant services	35,603
Student transportation services	18,267
Operation of non-instructional services	13,248
Total depreciation expense – governmental activities	<u>\$ 2,665,200</u>

Note 8 – Short Term Debt – Revolving Line of Credit

The District has a revolving line of credit to provide cash flow during the year to mitigate the impact of timing differences of expenditures and the receipt of state aid and property tax revenues. At year end, the District had \$1.5 million in unused line of credit.

Note 9 – Financed Purchases Payable

The District has acquired energy efficiency upgrades under the provisions of a contract classified as a financed purchase payables. Revenues from the General Fund are transferred to the Other Capital Projects Fund, a non-major governmental fund, to pay the debt obligations when due. This financed purchase, in the amount of \$1,850,241, qualifies as a Qualified Zone Academy Bond (QZAB). Under the QZAB program, the District has to repay principal only since the interest is paid by the financial institution that provided the bonds to the District. The financial institution receives a tax credit from the federal government in lieu of the interest.

Annual debt service requirements to maturity on financed purchases payable at year end are summarized as follows:

Year ending June 30:	Governmental Activities Principal
2025	\$ 123,349
2026	123,349
2027	123,349
2028	123,349
2029	123,349
2030-34	370,047
Total	<u>\$ 986,792</u>

Sedona-Oak Creek Joint Unified School District No. 9
Notes to Financial Statements
June 30, 2024

Note 10 – Leases Payable

The District has acquired copiers under the provisions of a contract classified as a lease. The related obligation under the lease agreement has been recorded at the present value of its future minimum lease payments as of the inception date. Revenues from the General Fund are used to pay the lease obligation.

The net present value and future minimum lease payments at year end were as follows:

Year ending June 30:	Governmental Activities	
	Principal	Interest
2025	\$ 26,662	\$ 170
2026	26,729	103
2027	26,796	36
Total	<u>\$ 80,187</u>	<u>\$ 309</u>

The right-to-use assets recorded under leases that meet the District's capitalization threshold are as follows:

	Governmental Activities
Asset:	
Vehicles, furniture and equipment	\$ 134,163
Less: Accumulated amortization	<u>24,833</u>
Total	<u>\$ 109,330</u>

Sedona-Oak Creek Joint Unified School District No. 9
Notes to Financial Statements
June 30, 2024

Note 11 – General Obligation Bonds Payable

Bonds payable at year end consisted of the following outstanding general obligation bonds. The bonds are both callable and noncallable with interest payable semiannually. Property taxes from the Debt Service Fund are used to pay bonded debt.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2024	Due Within One Year
Governmental activities:					
Refunding Bonds, Series 2015	\$ 20,850,000	4.00-5.00%	7/1/25-28	\$ 6,870,000	\$ 1,605,000
Crossover Refunding Bond, Series 2017	11,630,000	2.50-5.00%	7/1/25-28	6,480,000	1,465,000
Total				<u>\$ 13,350,000</u>	<u>\$ 3,070,000</u>

Annual debt service requirements to maturity on general obligation bonds at year end are summarized as follows:

Year ending June 30:	Governmental Activities	
	Principal	Interest
2025	\$ 3,070,000	\$ 578,226
2026	3,210,000	461,350
2027	3,360,000	317,700
2028	3,710,000	167,250
Total	<u>\$ 13,350,000</u>	<u>\$ 1,524,526</u>

Defeased Debt - In prior years, the District defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the defeased bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At year end, \$8,870,000 of defeased bonds are still outstanding.

Sedona-Oak Creek Joint Unified School District No. 9
Notes to Financial Statements
June 30, 2024

Note 12 – Changes in Long-Term Liabilities

Long-term liability activity for the current fiscal year was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 16,270,000	\$	\$ 2,920,000	\$ 13,350,000	\$ 3,070,000
Premium	2,099,120		419,826	1,679,294	
Total bonds payable	18,369,120		3,339,826	15,029,294	3,070,000
Financed purchases payable	1,110,141		123,349	986,792	123,349
Leases payable	106,783		26,596	80,187	26,662
Net pension liability	6,393,414		563,239	5,830,175	
Compensated absences payable	97,714	97,628	58,965	136,377	13,000
Total long-term liabilities	<u>\$ 26,077,172</u>	<u>\$ 97,628</u>	<u>\$ 4,111,975</u>	<u>\$ 22,062,825</u>	<u>\$ 3,233,011</u>

Note 13 – Interfund Receivables, Payables, and Transfers

At year end, interfund balances were as follows:

Due to/from other funds – At year end, Federal and State Grants, a Non-Major Governmental Fund, had a negative cash balance of \$149,818 in the Treasurer’s pooled cash accounts. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with the General Fund. All interfund balances are expected to be paid within one year.

Interfund transfers:

Transfers out	Transfers in			
	Non-Major Governmental			Total
	General	Debt Service	Funds	
General	\$	\$ 7,501	\$ 123,349	\$ 130,850
Federal and State Grants	8,872			8,872
Total	<u>\$ 8,872</u>	<u>\$ 7,501</u>	<u>\$ 123,349</u>	<u>\$ 139,722</u>

Transfers between funds were used to (1) move investment income earned in the Bond Building Fund, a non-major governmental fund that is required by statute to be expended in the Debt Service Fund, (2) move federal grant funds, restricted for indirect costs to the General Fund, and (3) move energy rebate savings from the General Fund to the Energy Water Savings Fund, a non-major governmental fund.

Sedona-Oak Creek Joint Unified School District No. 9

Notes to Financial Statements

June 30, 2024

Note 14 – Contingent Liabilities

Compliance – Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures/expenses that may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

Lawsuits – The District is a party to a number of various types of lawsuits, many of which normally occur in governmental operations. The ultimate outcome of the actions is not determinable, however, District management believes that the outcome of these proceedings, either individually or in the aggregate, will not have a materially adverse effect on the accompanying financial statements.

Note 15 – Restatement of Beginning Balances

Correction of Error – The July 1, 2023, government-wide net position does not agree to the prior year financial statements due to a correction of an error. In prior years, capital assets were deleted and combined, resulting in inaccurate asset and depreciation values.

Change within the Financial Reporting Entity – The July 1, 2023 governmental fund statements do not agree to the prior year financial statements due to a change within the financial reporting entity. The Classroom Site Fund became a major fund in the current year, while the Federal and State Grants fund became non-major.

The effect of the matters noted above resulted in adjustments to and restatements of beginning net position and fund net position, as follows:

	June 30, 2023, As Previously Reported	Change within the Financial Reporting Entity	Correction of an Error	June 30, 2023, As Restated
Government-Wide				
Governmental activities	\$ 36,519,867	\$	\$ 1,797,451	\$ 38,317,318
Governmental Funds				
Major Funds:				
General Fund	3,197,845			3,197,845
Classroom Site		830,137		830,137
Federal and State Grants	(298,852)	298,852		
Other Special Revenue	1,372,785			1,372,785
Debt Service	427,170			427,170
Nonmajor Funds	1,384,242	(1,128,989)		255,253
Total Governmental Funds	<u>\$ 6,083,190</u>	<u>\$</u>	<u>\$</u>	<u>\$ 6,083,190</u>

Sedona-Oak Creek Joint Unified School District No. 9
Notes to Financial Statements
June 30, 2024

Note 16 – Risk Management

The District is exposed to various risks of loss related to torts, theft of damage to, and destruction of assets, errors and omissions; injuries to employees, and natural disasters. The District was unable to obtain insurance at a cost it considered to be economically justifiable. Therefore, the District joined and is covered by three public entity risk pools: the Arizona School Risk Retention Trust, Inc. (ASRRT), Kairos, and the Arizona School Alliance for Workers' Compensation (Alliance).

ASRRT is a public entity risk pool currently operating as a common risk management and insurance program for school districts and community colleges in the State. The District pays an annual premium to ASRRT for its general insurance coverage. The agreement provides that ASRRT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of specified amounts.

The District's employees have health and accident insurance coverage with Kairos. Kairos is a public entity risk pool currently operating as a common risk management and insurance program for school districts in the state. The District pays a monthly premium to Kairos for employees' health and accident insurance coverage. The agreement provides that Kairos will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of specified amounts.

The Alliance is a public entity risk pool currently operating as a common risk management and insurance program for school districts in the State. The District pays quarterly premiums to the Alliance for its employee workers' compensation coverage. The agreement provides that the Alliance will be self-sustaining through members' premiums and will reinsure through commercial companies for claims in excess of specified amounts for each insured event.

Note 17 – Pensions

Plan Description. District employees participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. ASRS is a component unit of the State of Arizona. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on the ASRS website at www.azasrs.gov.

Sedona-Oak Creek Joint Unified School District No. 9
Notes to Financial Statements
June 30, 2024

Note 17 – Pensions

The ASRS OPEB plans are not further disclosed because of their relative insignificance to the District's financial statements.

Benefits Provided. The ASRS provides retirement, health insurance premium supplement, long-term disability, and survivor benefits. State statute establishes benefit terms. Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

	Retirement Initial Membership Date:	
	Before July 1, 2011	On or After July 1, 2011
Years of service and age required to receive benefit	Sum of years and age equals 80 10 years, age 62 5 years, age 50* Any years, age 65	30 years, age 55 25 years, age 60 10 years, age 62 5 years, age 50* Any years, age 65
Final average salary is based on	Highest 36 months of last 120 months	Highest 60 months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%
*With actuarially reduced benefits		

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment earnings. Members with a membership date on or after September 13, 2013, are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a member's death. For retired members, the survivor benefit is determined by the retirement benefit option chosen. For all other members, the beneficiary is entitled to the member's account balance that includes the member's contributions and employer's contributions, plus interest earned.

Contributions. In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.29 percent (12.14 percent for retirement and 0.15 percent for long-term disability) of the members' annual covered payroll, and the District was required by statute to contribute at the actuarially determined rate of 12.29 percent (12.03 percent for retirement, 0.11 percent for health insurance premium benefit, and 0.15 percent for long-term disability) of the active members' annual covered payroll. The District's contributions to the pension plan for the year ended June 30, 2024 were \$610,096.

Sedona-Oak Creek Joint Unified School District No. 9
Notes to Financial Statements
June 30, 2024

Note 17 – Pensions

Employers are also required to pay an Alternate Contribution Rate (ACR), for retired members who return to work in positions that would typically be filled by an employee who contributes to ASRS. The District was required by statute to contribute at the actuarially determined rate of 9.99 percent (9.94 for retirement and 0.05 percent for long-term disability). ACR contributions are included in employer contributions presented above.

The District's pension plan contributions are paid by the same funds as the employee's salary, with the largest component coming from the General Fund.

Pension Liability. The net pension liability was measured as of June 30, 2023. The total liability used to calculate the net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2022, to the measurement date of June 30, 2023. The District's proportion of the net liability was based on the District's actual contributions to the applicable plan relative to the total of all participating employers' contributions to the plan for the year ended June 30, 2023.

At June 30, 2023, the District reported the following amounts for its proportionate share of the pension plan net liability. In addition, at June 30, 2023, the District's percentage proportion for the plan and the related change from its proportion measured as of June 30, 2022 was:

Net Liability	District % Proportion	Increase (Decrease)
\$ 5,830,175	0.036	(0.003)

Pension Expense and Deferred Outflows/Inflows of Resources. The District has deferred outflows and inflows of resources related to the net pension liability. Certain changes in the net pension liability are recognized as pension expense over a period of time rather than the year of occurrence. The District's pension expense for the year ended June 30, 2024 was \$534,733.

Sedona-Oak Creek Joint Unified School District No. 9
Notes to Financial Statements
June 30, 2024

Note 17 – Pensions

The District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 131,739	\$
Net difference between projected and actual earnings on pension investments		206,277
Changes in proportion and differences between contributions and proportionate share of contributions	131,141	319,184
Contributions subsequent to the measurement date	610,096	
Total	<u>\$ 872,976</u>	<u>\$ 525,461</u>

The amounts of deferred outflows of resources resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as an adjustment of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:		
2025	\$	(75,904)
2026		(383,349)
2027		222,305
2028		(25,633)

Actuarial Assumptions. The significant actuarial assumptions used to measure the total pension liability are as follows:

Actuarial valuation date	June 30, 2022
Actuarial roll forward date	June 30, 2023
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Inflation	2.3%
Projected salary increases	2.9-8.4%
Permanent base increases	Included
Mortality rates	2017 SRA Scale U-MP

Sedona-Oak Creek Joint Unified School District No. 9
Notes to Financial Statements
June 30, 2024

Note 17 – Pensions

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2020. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2020, actuarial valuation.

The long-term expected rate of return on ASRS plan investments was determined to be 7.0 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, excluding any expected inflation.

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
Public equity	44%	3.50%
Credit	23%	5.90
Interest rate sensitive	6%	1.50
Private equity	10%	6.70
Real estate	17%	5.90
Total	100%	

Discount Rate. The discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sedona-Oak Creek Joint Unified School District No. 9
Notes to Financial Statements
June 30, 2024

Note 17 – Pensions

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Current		
	1% Decrease	Discount Rate	1% Increase
Rate	6.0%	7.0%	8.0%
Net liability	\$ 8,732,745	\$ 5,830,175	\$ 3,409,944

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued ASRS financial report. The report is available on the ASRS website at www.azasrs.gov.

Required Supplementary Information

(This page intentionally left blank)

Sedona-Oak Creek Joint Unified School District No. 9
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General
For the Year Ended June 30, 2024

	Budget		Non-GAAP	Variance with
	Original	Final	Actual	Final Budget
Revenues				
Other local	\$	\$	\$ 52,762	\$ 52,762
Property taxes			5,586,467	5,586,467
State aid and grants			1,376,490	1,376,490
Total revenues			<u>7,015,719</u>	<u>7,015,719</u>
Expenditures				
Current:				
Instruction	3,256,487	3,432,452	3,310,131	122,321
Support services - students and staff	946,433	1,014,433	1,026,542	(12,109)
Support services - administration	858,364	948,125	1,119,770	(171,645)
Operation and maintenance of plant services	964,044	1,348,802	1,008,880	339,922
Student transportation services	409,712	409,712	468,360	(58,648)
Operation of non-instructional services	20,000	75,463		75,463
Total expenditures	<u>6,455,040</u>	<u>7,228,987</u>	<u>6,933,683</u>	<u>295,304</u>
Excess (deficiency) of revenues over expenditures	<u>(6,455,040)</u>	<u>(7,228,987)</u>	<u>82,036</u>	<u>7,311,023</u>
Other financing sources (uses)				
Transfers out			(123,349)	(123,349)
Total other financing sources (uses)			<u>(123,349)</u>	<u>(123,349)</u>
Changes in fund balances	<u>(6,455,040)</u>	<u>(7,228,987)</u>	<u>(41,313)</u>	<u>7,187,674</u>
Fund balances, beginning of year			<u>1,674,448</u>	<u>1,674,448</u>
Fund balances, end of year	<u>\$ (6,455,040)</u>	<u>\$ (7,228,987)</u>	<u>\$ 1,633,135</u>	<u>\$ 8,862,122</u>

Sedona-Oak Creek Joint Unified School District
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Classroom Site
For the Year Ended June 30, 2024

	<u>Budget</u>		<u>Variance with</u>
	<u>Original and Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues			
Other local	\$	\$ 34,560	\$ 34,560
State aid and grants		767,760	767,760
Total revenues		<u>802,320</u>	<u>802,320</u>
Expenditures			
Current:			
Instruction	980,452	540,254	440,198
Support services - students and staff	<u>211,607</u>	<u>59,270</u>	<u>152,337</u>
Total expenditures	<u>1,192,059</u>	<u>599,524</u>	<u>592,535</u>
Changes in fund balances	<u>(1,192,059)</u>	<u>202,796</u>	<u>1,394,855</u>
Fund balances, beginning of year		<u>830,137</u>	<u>830,137</u>
Fund balances, end of year	<u>\$ (1,192,059)</u>	<u>\$ 1,032,933</u>	<u>\$ 2,224,992</u>

See accompanying notes to this schedule.

Sedona-Oak Creek Joint Unified School District
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Special Revenue
For the Year Ended June 30, 2024

	<u>Budget</u>		<u>Variance with</u>
	<u>Original and Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues			
Other local		622,209	622,209
Total revenues		<u>622,209</u>	<u>622,209</u>
Expenditures			
Current:			
Instruction		523,255	(523,255)
Support services - students and staff		426	(426)
Support services - administration		69,992	(69,992)
Operation and maintenance of plant services		291,974	(291,974)
Student transportation services		<u>2,297</u>	<u>(2,297)</u>
Total expenditures		<u>887,944</u>	<u>(887,944)</u>
Excess (deficiency) of revenues over expenditures		<u>(265,735)</u>	<u>(265,735)</u>
Changes in fund balances		<u>(265,735)</u>	<u>(265,735)</u>
Fund balances, beginning of year		<u>1,372,785</u>	<u>1,372,785</u>
Fund balances, end of year	<u>\$</u>	<u>\$ 1,107,050</u>	<u>\$ 1,107,050</u>

Sedona-Oak Creek Joint Unified School District No. 9
Schedule of the Proportionate Share of the Net Pension Liability
Arizona State Retirement System
Last Ten Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Measurement date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
District's proportion of the net pension (assets) liability	0.04%	0.04%	0.04%	0.04%	0.04%
District's proportionate share of the net pension (assets) liability	\$ 5,830,175	\$ 6,393,414	\$ 4,785,426	\$ 6,972,192	\$ 6,012,541
District's covered payroll	\$ 4,522,634	\$ 3,768,110	\$ 4,087,330	\$ 4,378,786	\$ 4,343,721
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	128.91%	169.67%	117.08%	159.23%	138.42%
Plan fiduciary net position as a percentage of the total pension liability	75.47%	74.26%	78.58%	69.33%	73.24%

Schedule of Pension Contributions
Arizona State Retirement System
Last Ten Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Actuarially determined contribution	\$ 610,096	\$ 539,098	\$ 452,550	\$ 476,174	\$ 501,372
Contributions in relation to the actuarially determined contribution	<u>610,096</u>	<u>539,098</u>	<u>452,550</u>	<u>476,174</u>	<u>501,372</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 5,071,455	\$ 4,522,634	\$ 3,768,110	\$ 4,087,330	\$ 4,378,786
Contributions as a percentage of covered payroll	12.03%	11.92%	12.01%	11.65%	11.45%

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
0.05%	0.05%	0.05%	0.05%	0.05%
\$ 7,022,053	\$ 7,452,539	\$ 7,545,920	\$ 7,696,109	\$ 7,547,655
\$ 4,983,706	\$ 4,680,390	\$ 4,383,180	\$ 4,506,630	\$ 4,588,860
140.90%	159.23%	172.16%	170.77%	164.48%
73.40%	69.92%	67.06%	68.35%	69.49%

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 485,628	\$ 543,224	\$ 504,546	\$ 475,575	\$
485,628	543,224	504,546	475,575	
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 4,343,721	\$ 4,983,706	\$ 4,680,390	\$ 4,383,180	\$ 4,506,630
11.18%	10.90%	10.78%	10.85%	0.00%

Sedona-Oak Creek Joint Unified School District No. 9
Notes to Required Supplementary Information
June 30, 2024

Note 1 – Budgetary Basis of Accounting

The District budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America, except for the following item:

- Certain activities reported in the General Fund are budgeted in separate funds in accordance with Arizona Revised Statutes.
- Employee insurance expenditures are budgeted in the year the employee insurance account is funded.

The following schedule reconciles expenditures and fund balances at the end of year.

	Total Expenditures	Fund Balances End of Year
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 7,576,816	\$ 3,075,841
Activity budgeted as other fund types	(643,133)	(1,440,913)
Employee insurance account		(1,793)
Schedule of Revenue, Expenditures and Changes in Fund Balances – Budget and Actual - General Fund	<u>\$ 6,933,683</u>	<u>\$ 1,633,135</u>

Note 2 – Pension Plan Schedules

Actuarial Assumptions for Valuations Performed. The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated, which is the most recent actuarial valuation. The actuarial assumptions used are disclosed in the notes to the financial statements.

Factors that Affect Trends. The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2020. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2020, actuarial valuation.

**Combining and Individual
Fund Financial Statements
and Schedules**

(This page intentionally left blank)

Governmental Funds

(This page intentionally left blank)

Non-Major Governmental Funds

Special Revenue Funds

Instructional Improvement – to account for the activity of monies received from gaming revenue.

Federal and State Grants Fund – to account for financial assistance received for federal and state grants and projects.

Food Service – to account for the financial activity of school activities that have as their purpose the preparation and serving of regular and incidental meals and snacks in connection with school functions.

Capital Projects Funds

Adjacent Ways – to account for monies received to finance improvements of public ways adjacent to school property.

Bond Building – to account for proceeds from District bond issues that are expended on the acquisition or lease of sites; construction or renovation of school buildings; supplying school buildings with furniture, equipment, and technology; improving school grounds; or purchasing pupil transportation vehicles.

Other Capital Projects Funds – to account for the revenues and expenditures of other capital projects activities, including the following: energy water and savings, and building renewal grant.

Sedona-Oak Creek Joint Unified School District No. 9
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2024

	Special Revenue Funds		
	Instructional Improvement	Federal and State Grants	Food Service
Assets			
Cash and investments	\$ 342,503	\$	\$ 111,920
Due from governmental entities	24,608	187,638	11,596
Inventory			1,522
Total assets	<u>\$ 367,111</u>	<u>\$ 187,638</u>	<u>\$ 125,038</u>
Liabilities			
Accounts payable			11,020
Due to other funds		149,818	
Accrued payroll and employee benefits		17,115	
Unearned revenues		10,246	
Total liabilities		<u>177,179</u>	<u>11,020</u>
Deferred inflows of resources			
Unavailable revenues - intergovernmental		85,077	
Total deferred inflows of resources		<u>85,077</u>	
Fund balances			
Nonspendable			1,522
Restricted	367,111		112,496
Unassigned		(74,618)	
Total fund balances	<u>367,111</u>	<u>(74,618)</u>	<u>114,018</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 367,111</u>	<u>\$ 187,638</u>	<u>\$ 125,038</u>

Capital Projects Funds			Total Non-Major
Adjacent Ways	Bond Building	Other Capital Projects	Governmental Funds
\$ 78,030	\$ 44,552	\$ 15,775	\$ 592,780
			223,842
			1,522
<u>\$ 78,030</u>	<u>\$ 44,552</u>	<u>\$ 15,775</u>	<u>\$ 818,144</u>
			11,020
			149,818
			17,115
			10,246
			<u>188,199</u>
			85,077
			<u>85,077</u>
			1,522
78,030	44,552	15,775	617,964
			(74,618)
<u>78,030</u>	<u>44,552</u>	<u>15,775</u>	<u>544,868</u>
<u>\$ 78,030</u>	<u>\$ 44,552</u>	<u>\$ 15,775</u>	<u>\$ 818,144</u>

Sedona-Oak Creek Joint Unified School District No. 9
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds			
	Classroom Site	Instructional Improvement	Federal and State Grants	Food Service
Revenues				
Other local		\$ 9,667	\$	\$ 88,110
State aid and grants		53,148	21,064	
Federal aid, grants and reimbursements			980,814	315,251
Total revenues		<u>62,815</u>	<u>1,001,878</u>	<u>403,361</u>
Expenditures				
Current:				
Instruction			447,543	
Support services - students and staff			137,487	
Support services - administration			190	
Operation and maintenance of plant services			2,232	
Student transportation services			2,354	
Operation of non-instructional services				403,841
Capital outlay			178,966	
Debt service:				
Principal retirement				
Total expenditures			<u>768,772</u>	<u>403,841</u>
Excess (deficiency) of revenues over expenditures		<u>62,815</u>	<u>233,106</u>	<u>(480)</u>
Other financing sources (uses)				
Transfers in				
Transfers out			(8,872)	
Total other financing sources (uses)			<u>(8,872)</u>	
Changes in fund balances		<u>62,815</u>	<u>224,234</u>	<u>(480)</u>
Fund balances, beginning of year				
Fund balances, beginning of year, previously reported	830,137	304,296		114,498
Adjustments to beginning fund balances	(830,137)		(298,852)	
Fund balances, beginning of year, as restated		<u>304,296</u>	<u>(298,852)</u>	<u>114,498</u>
Fund balances, end of year	<u>\$</u>	<u>\$ 367,111</u>	<u>\$ (74,618)</u>	<u>\$ 114,018</u>

Capital Projects Funds			Total Non-Major
Adjacent Ways	Bond Building Fund	Other Capital Projects	Governmental Funds
\$ 2,571	\$	\$ 475	\$ 100,823
			74,212
			1,296,065
<u>2,571</u>		<u>475</u>	<u>1,471,100</u>
			447,543
			137,487
			190
			2,232
			2,354
			403,841
			178,966
		<u>123,349</u>	<u>123,349</u>
		<u>123,349</u>	<u>1,295,962</u>
<u>2,571</u>		<u>(122,874)</u>	<u>175,138</u>
		123,349	123,349
			(8,872)
		<u>123,349</u>	<u>114,477</u>
<u>2,571</u>		<u>475</u>	<u>289,615</u>
75,459	44,552	15,300	1,384,242
			(1,128,989)
<u>75,459</u>	<u>44,552</u>	<u>15,300</u>	<u>255,253</u>
<u>\$ 78,030</u>	<u>\$ 44,552</u>	<u>\$ 15,775</u>	<u>\$ 544,868</u>

Sedona-Oak Creek Joint Unified School District No. 9
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Instructional Improvement
For the Year Ended June 30, 2024

	<u>Budget</u>		<u>Variance with</u>
	<u>Original and Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues			
Other local	\$	\$ 9,667	\$ 9,667
State aid and grants		53,148	53,148
Total revenues		<u>62,815</u>	<u>62,815</u>
Expenditures			
Current:			
Instruction	<u>150,000</u>		<u>150,000</u>
Total expenditures	<u>150,000</u>		<u>150,000</u>
Changes in fund balances	<u>(150,000)</u>	<u>62,815</u>	<u>212,815</u>
Fund balances, beginning of year		<u>304,296</u>	<u>304,296</u>
Fund balances, end of year	<u><u>\$ (150,000)</u></u>	<u><u>\$ 367,111</u></u>	<u><u>\$ 517,111</u></u>

Sedona-Oak Creek Joint Unified School District No. 9
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Federal and State Grants
For the Year Ended June 30, 2024

	<u>Budget</u>		<u>Variance with</u>
	<u>Original and Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues			
State aid and grants		\$ 21,064	\$ 21,064
Federal aid, grants and reimbursements		980,814	980,814
Total revenues		<u>1,001,878</u>	<u>1,001,878</u>
Expenditures			
Current:			
Instruction	534,422	447,543	86,879
Support services - students and staff	164,177	137,487	26,690
Support services - administration	227	190	37
Operation and maintenance of plant services	2,665	2,232	433
Student transportation services	2,811	2,354	457
Capital outlay	<u>213,708</u>	<u>178,966</u>	<u>34,742</u>
Total expenditures	<u>918,009</u>	<u>768,772</u>	<u>149,237</u>
Excess (deficiency) of revenues over expenditures	<u>(918,009)</u>	<u>233,106</u>	<u>1,151,115</u>
Other financing sources (uses)			
Transfers out		(8,872)	(8,872)
Total other financing sources (uses)		<u>(8,872)</u>	<u>(8,872)</u>
Changes in fund balances	<u>(918,009)</u>	<u>224,234</u>	<u>1,142,243</u>
Fund balances, beginning of year		<u>(298,852)</u>	<u>(298,852)</u>
Fund balances, end of year	<u>\$ (918,009)</u>	<u>\$ (74,618)</u>	<u>\$ 843,391</u>

Sedona-Oak Creek Joint Unified School District No. 9
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Food Service
For the Year Ended June 30, 2024

	<u>Budget</u>		<u>Variance with</u>
	<u>Original and Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues			
Other local	\$	\$ 88,110	\$ 88,110
Federal aid, grants and reimbursements		315,251	315,251
Total revenues		<u>403,361</u>	<u>403,361</u>
Expenditures			
Current:			
Operation of non-instructional services		403,841	(403,841)
Total expenditures		<u>403,841</u>	<u>(403,841)</u>
Excess (deficiency) of revenues over expenditures		<u>(480)</u>	<u>(480)</u>
Changes in fund balances		<u>(480)</u>	<u>(480)</u>
Fund balances, beginning of year		<u>114,498</u>	<u>114,498</u>
Fund balances, end of year	<u>\$</u>	<u>\$ 114,018</u>	<u>\$ 114,018</u>

Sedona-Oak Creek Joint Unified School District No. 9
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Debt Service
For the Year Ended June 30, 2024

	<u>Budget</u>		<u>Variance with</u>
	<u>Original and Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues			
Other local	\$	\$ 17,958	\$ 17,958
Property taxes		3,495,577	3,495,577
Total revenues		<u>3,513,535</u>	<u>3,513,535</u>
Expenditures			
Instruction		725	(725)
Debt service:			
Principal retirement	2,920,000	2,920,000	
Interest and fiscal charges		724,254	(724,254)
Total expenditures	<u>2,920,000</u>	<u>3,644,979</u>	<u>(724,979)</u>
Excess (deficiency) of revenues over expenditures	<u>(2,920,000)</u>	<u>(131,444)</u>	<u>2,788,556</u>
Other financing sources (uses)			
Transfers in		7,501	7,501
Total other financing sources (uses)		<u>7,501</u>	<u>7,501</u>
Changes in fund balances	<u>(2,920,000)</u>	<u>(123,943)</u>	<u>2,796,057</u>
Fund balances, beginning of year		<u>427,170</u>	<u>427,170</u>
Fund balances, end of year	<u>\$ (2,920,000)</u>	<u>\$ 303,227</u>	<u>\$ 3,223,227</u>

Sedona-Oak Creek Joint Unified School District No. 9
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Adjacent Ways
For the Year Ended June 30, 2024

	<u>Budget</u>		
	<u>Original and Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Other local	\$ -	\$ 2,571	\$ 2,571
Total revenues	<u> </u>	<u>2,571</u>	<u>2,571</u>
 Excess (deficiency) of revenues over expenditures	<u> </u>	<u>2,571</u>	<u>2,571</u>
 Changes in fund balances	<u> </u>	<u>2,571</u>	<u>2,571</u>
 Fund balances, beginning of year	<u> </u>	<u>75,459</u>	<u>75,459</u>
 Fund balances, end of year	<u>\$ </u>	<u>\$ 78,030</u>	<u>\$ 78,030</u>

Sedona-Oak Creek Joint Unified School District No. 9
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Bond Building
For the Year Ended June 30, 2024

	<u>Budget</u>		<u>Variance with</u>
	<u>Original and Final</u>	<u>Actual</u>	<u>Final Budget</u>
Fund balances, beginning of year	<u> </u>	<u>44,552</u>	<u>44,552</u>
Fund balances, end of year	<u>\$ </u>	<u>\$ 44,552</u>	<u>\$ 44,552</u>

Sedona-Oak Creek Joint Unified School District No. 9
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Capital Projects
For the Year Ended June 30, 2024

	<u>Budget</u>		<u>Variance with</u>
	<u>Original and Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues			
Other local	\$ -	\$ 475	\$ 475
Total revenues	<u> </u>	<u>475</u>	<u>475</u>
Expenditures			
Capital outlay	(123,349)		(123,349)
Debt service:			
Principal retirement	<u>123,349</u>	<u>123,349</u>	<u> </u>
Total expenditures	<u> </u>	<u>123,349</u>	<u>(123,349)</u>
Excess (deficiency) of revenues over expenditures	<u> </u>	<u>(122,874)</u>	<u>(122,874)</u>
Other financing sources (uses)			
Transfers in	<u> </u>	<u>123,349</u>	<u>123,349</u>
Total other financing sources (uses)	<u> </u>	<u>123,349</u>	<u>123,349</u>
Changes in fund balances	<u> </u>	<u>475</u>	<u>475</u>
Fund balances, beginning of year	<u> </u>	<u>15,300</u>	<u>15,300</u>
Fund balances, end of year	<u>\$ </u>	<u>\$ 15,775</u>	<u>\$ 15,775</u>

Statistical Section

The statistical section presents financial statement trends as well as detailed financial and operational information not available elsewhere in the report. The statistical section is intended to enhance the reader's understanding of the information presented in the financial statements, notes to the financial statements, and other supplementary information presented in this report. The statistical section is comprised of the five categories of statistical information presented below.

Financial Trends

These schedules contain information on financial trends to help the reader understand how the District's financial position and financial activities have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the District's ability to generate revenue.

Debt Capacity

These schedules present information to help the reader evaluate the District's current levels of outstanding debt as well as assess the District's ability to make debt payments and/or issue additional debt in the future.

Demographic and Economic Information

These schedules present various demographic and economic indicators to help the reader understand the environment in which the District's financial activities take place and to help make comparisons with other school districts.

Operating Information

These schedules contain information about the District's operations and various resources to help the reader draw conclusions as to how the District's financial information relates to the services provided by the District.

Note: For locally assessed property (i.e., excluding mines, utilities, etc.) Proposition 117, approved by voters in 2012, amended the Arizona Constitution to require that all property taxes after fiscal year 2014-15 be based upon property values limited to five percent in annual growth. The aggregate assessed value of all taxable properties within a taxing jurisdiction (i.e., after applying assessment ratios based on the use of a property), including property values with a growth limit, is currently referred to as net limited assessed value and formerly as primary assessed value. In accordance with Proposition 117, this value is used for all taxing purposes beginning fiscal year 2015-16. Aggregate assessed value without a growth limit is currently referred to as net full cash assessed value and formerly as secondary assessed value. This remains the value utilized for determining debt capacity limits.

(This page intentionally left blank)

Sedona-Oak Creek Joint Unified School District No. 9
Net Position by Component
Last Ten Fiscal Years
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Net Position:					
Net investment in capital assets	\$ 37,935,697	\$ 37,167,003	\$ 33,417,839	\$ 31,272,987	\$ 29,471,716
Restricted	3,062,313	3,177,346	3,829,365	4,168,568	3,211,411
Unrestricted	(2,514,429)	(2,027,031)	(2,835,331)	(3,687,724)	(3,841,370)
Total net position	<u>\$ 38,483,581</u>	<u>\$ 38,317,318</u>	<u>\$ 34,411,873</u>	<u>\$ 31,753,831</u>	<u>\$ 28,841,757</u>
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Net Position:					
Net investment in capital assets	\$ 30,086,616	\$ 28,368,334	\$ 26,648,752	\$ 25,408,093	\$ 23,913,922
Restricted	15,764,061	15,818,382	16,734,956	2,820,169	2,795,858
Unrestricted	(18,652,441)	(19,730,869)	(19,884,107)	(5,757,738)	(5,658,504)
Total net position	<u>\$ 27,198,236</u>	<u>\$ 24,455,847</u>	<u>\$ 23,499,601</u>	<u>\$ 22,470,524</u>	<u>\$ 21,051,276</u>

Source: The source of this information is the District's financial records.

Note: Net investment in capital assets for the year ended June 30, 2023 was restated for the correction of capital assets and associated depreciation. It was not practical to restate prior years.

Sedona-Oak Creek Joint Unified School District No. 9
Expenses, Program Revenues, and Net (Expense)/Revenue
Last Ten Fiscal Years
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Expenses					
Instruction	\$ 7,392,995	\$ 5,642,187	\$ 6,878,146	\$ 6,696,606	\$ 7,184,358
Support services - students and staff	1,309,402	1,179,052	1,066,051	934,826	934,837
Support services - administration	1,530,309	1,423,113	1,201,322	1,069,113	1,253,481
Operation and maintenance of plant services	1,448,239	1,487,146	1,234,993	1,331,986	1,442,730
Student transportation services	503,019	553,843	504,140	477,327	617,456
Operation of non-instructional services	423,230	426,756	397,330	329,512	386,972
Interest on long-term debt	592,637	790,155	1,011,072	1,224,232	1,478,245
Total expenses	<u>13,199,831</u>	<u>11,502,252</u>	<u>12,293,054</u>	<u>12,063,602</u>	<u>13,298,079</u>
Program Revenues					
Charges for services:					
Instruction	228,499	263,139	263,174	188,792	361,097
Operation of non-instructional services	88,110	82,578	49,994	50,415	123,683
Other activities	351,228	411,186	436,234	249,051	146,850
Operating grants and contributions	1,218,467	1,565,693	1,673,107	1,411,314	1,246,484
Capital grants and contributions	180,536	92,227	308,750	18,973	33,029
Total program revenues	<u>2,066,840</u>	<u>2,414,823</u>	<u>2,731,259</u>	<u>1,918,545</u>	<u>1,911,143</u>
Net (Expense)/Revenue	<u>\$ (11,132,991)</u>	<u>\$ (9,087,429)</u>	<u>\$ (9,561,795)</u>	<u>\$ (10,145,057)</u>	<u>\$ (11,386,936)</u>

(Continued)

Sedona-Oak Creek Joint Unified School District No. 9
Expenses, Program Revenues, and Net (Expense)/Revenue
Last Ten Fiscal Years
(Accrual basis of accounting)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Expenses					
Instruction	\$ 6,299,359	\$ 7,321,559	\$ 8,545,899	\$ 7,205,062	\$ 7,656,295
Support services - students and staff	1,124,119	1,138,338	1,387,351	1,002,977	981,460
Support services - administration	1,227,755	1,371,192	1,396,041	1,271,784	1,200,008
Operation and maintenance of plant services	1,384,425	1,545,821	1,615,260	1,454,391	1,435,298
Student transportation services	483,695	542,336	779,431	687,536	661,428
Operation of non-instructional services	389,568	442,514	496,768	573,512	569,894
Interest on long-term debt	2,386,434	2,298,082	1,936,150	2,363,335	2,338,982
Total expenses	<u>13,295,355</u>	<u>14,659,842</u>	<u>16,156,900</u>	<u>14,558,597</u>	<u>14,843,365</u>
Program Revenues					
Charges for services:					
Instruction	165,551	212,057	196,529	175,271	357,286
Operation of non-instructional services	251,456	237,783	246,585	236,152	235,551
Other activities	196,531	111,790	345,514	109,431	152,976
Operating grants and contributions	1,355,059	1,433,456	1,598,834	1,781,525	1,615,949
Capital grants and contributions	45,344	231,864	232,312	50,641	9,312
Total program revenues	<u>2,013,941</u>	<u>2,226,950</u>	<u>2,619,774</u>	<u>2,353,020</u>	<u>2,371,074</u>
Net (Expense)/Revenue	<u>\$ (11,281,414)</u>	<u>\$ (12,432,892)</u>	<u>\$ (13,537,126)</u>	<u>\$ (12,205,577)</u>	<u>\$ (12,472,291)</u>

Source: The source of this information is the District's financial records.

(Concluded)

Sedona-Oak Creek Joint Unified School District No. 9
General Revenues and Total Changes in Net Position
Last Ten Fiscal Years
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Net (Expense)/Revenue	\$ (11,132,991)	\$ (10,884,880)	\$ (9,561,795)	\$ (10,145,057)	\$ (11,386,936)
General Revenues:					
Property taxes	8,854,056	10,247,585	10,367,248	11,397,571	11,253,891
Investment income	168,700	259,129	23,374	25,212	95,468
Unrestricted state aid	2,231,527	1,813,018	1,766,276	1,570,899	1,562,525
Unrestricted federal aid	44,971	53,258	62,939	63,449	82,860
Total general revenues	<u>11,299,254</u>	<u>12,372,990</u>	<u>12,219,837</u>	<u>13,057,131</u>	<u>12,994,744</u>
Changes in Net Position	<u>\$ 166,263</u>	<u>\$ 1,488,110</u>	<u>\$ 2,658,042</u>	<u>\$ 2,912,074</u>	<u>\$ 1,607,808</u>

(Continued)

Sedona-Oak Creek Joint Unified School District No. 9
General Revenues and Total Changes in Net Position
Last Ten Fiscal Years
(Accrual basis of accounting)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Net (Expense)/Revenue	\$ (11,281,414)	\$ (12,432,892)	\$ (13,537,126)	\$ (12,205,577)	\$ (12,472,291)
General Revenues:					
Property taxes	11,814,317	11,681,988	12,499,924	11,696,256	12,225,565
Investment income	402,452	105,420	100,284	27,246	127,899
Unrestricted state aid	1,748,479	1,910,021	1,852,090	1,741,326	1,717,747
Unrestricted federal aid	58,555	96,248	113,905	159,997	113,107
Total general revenues	<u>14,023,803</u>	<u>13,793,677</u>	<u>14,566,203</u>	<u>13,624,825</u>	<u>14,184,318</u>
Changes in Net Position	<u>\$ 2,742,389</u>	<u>\$ 1,360,785</u>	<u>\$ 1,029,077</u>	<u>\$ 1,419,248</u>	<u>\$ 1,712,027</u>

Source: The source of this information is the District's financial records.

(Concluded)

Sedona-Oak Creek Joint Unified School District No. 9
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
General Fund:					
Nonspendable	\$	\$	\$ 125,939	\$ 456,870	\$ 623,804
Assigned			208,423	23,447	21,144
Unassigned	3,075,841	3,197,845	2,133,869	2,246,876	1,835,321
Total General Fund	<u>\$ 3,075,841</u>	<u>\$ 3,197,845</u>	<u>\$ 2,468,231</u>	<u>\$ 2,727,193</u>	<u>\$ 2,480,269</u>
All Other Governmental Funds:					
Nonspendable	\$ 1,522	\$ 11,003	\$ 6,038	\$ 4,254	\$ 13,734
Restricted	3,061,174	3,173,194	3,778,529	3,882,345	2,989,347
Assigned			187,561	214,756	226,106
Unassigned	(74,618)	(298,852)	(426,473)	(162,707)	(68,885)
Total all other governmental funds	<u>\$ 2,988,078</u>	<u>\$ 2,885,345</u>	<u>\$ 3,545,655</u>	<u>\$ 3,938,648</u>	<u>\$ 3,160,302</u>

(Continued)

Sedona-Oak Creek Joint Unified School District No. 9
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Fund:					
Nonspendable	\$ 745,693	\$ 823,392	\$ 802,938	\$ 1,038,828	\$ 1,013,647
Restricted					
Committed					
Assigned	17,507	15,714	9,277	9,287	9,249
Unassigned	1,813,300	1,174,233	1,772,609	1,184,701	1,244,566
Total General Fund	<u>\$ 2,576,500</u>	<u>\$ 2,013,339</u>	<u>\$ 2,584,824</u>	<u>\$ 2,232,816</u>	<u>\$ 2,267,462</u>
All Other Governmental Funds:					
Nonspendable	\$ 7,440	\$ 9,109	\$	\$	\$
Restricted	\$ 15,833,849	\$ 15,950,327	\$ 16,892,579	\$ 3,052,321	\$ 3,159,714
Committed					
Assigned	156,453	67,517	86,948	54,232	25,353
Unassigned	(48,606)	(55,688)		(16,894)	
Total all other governmental funds	<u>\$ 15,949,136</u>	<u>\$ 15,971,265</u>	<u>\$ 16,979,527</u>	<u>\$ 3,089,659</u>	<u>\$ 3,185,067</u>

Source: The source of this information is the District's financial records.

(Concluded)

Sedona-Oak Creek Joint Unified School District No. 9
Governmental Funds Revenues
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Federal sources:					
Federal grants	\$ 1,036,873	\$ 1,129,957	\$ 1,170,952	\$ 861,718	\$ 746,951
National School Lunch Program	315,251	332,295	399,944	192,555	219,474
Total federal sources	<u>1,352,124</u>	<u>1,462,252</u>	<u>1,570,896</u>	<u>1,054,273</u>	<u>966,425</u>
State sources:					
State equalization assistance	1,410,619	1,070,014	1,009,692	1,079,881	1,051,484
State grants	21,064	39,054	3,624	18,473	75,345
School Facilities Oversight Board					20,116
Other revenues	820,908	743,004	756,584	539,518	511,041
Total state sources	<u>2,252,591</u>	<u>1,852,072</u>	<u>1,769,900</u>	<u>1,637,872</u>	<u>1,657,986</u>
Local sources:					
Property taxes	9,254,835	10,076,788	10,171,492	11,549,343	11,071,208
Food service sales	100,823	84,989	49,994	50,415	123,683
Investment income	17,958	259,129	23,374	25,212	95,468
Other revenues	1,007,623	999,806	905,918	802,997	708,924
Total local sources	<u>10,381,239</u>	<u>11,420,712</u>	<u>11,150,778</u>	<u>12,427,967</u>	<u>11,999,283</u>
Total revenues	<u><u>\$ 13,985,954</u></u>	<u><u>\$ 14,735,036</u></u>	<u><u>\$ 14,491,574</u></u>	<u><u>\$ 15,120,112</u></u>	<u><u>\$ 14,623,694</u></u>

(Continued)

Sedona-Oak Creek Joint Unified School District No. 9
Governmental Funds Revenues
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Federal sources:					
Federal grants	\$ 883,432	\$ 936,817	\$ 1,276,155	\$ 1,188,895	\$ 1,013,362
National School Lunch Program	187,102	212,508	235,635	289,242	299,269
Total federal sources	<u>1,070,534</u>	<u>1,149,325</u>	<u>1,511,790</u>	<u>1,478,137</u>	<u>1,312,631</u>
State sources:					
State equalization assistance	1,174,278	1,341,762	1,343,708	1,197,724	1,201,001
State grants	31,252	19,069	26,853	201,871	215,584
Other revenues	706,633	667,508	580,487	543,602	516,746
Total state sources	<u>1,912,163</u>	<u>2,028,339</u>	<u>1,951,048</u>	<u>1,943,197</u>	<u>1,933,331</u>
Local sources:					
Property taxes	11,860,552	11,679,612	12,472,588	11,748,705	12,190,695
Food service sales	154,742	151,501	150,617	141,574	158,719
Investment income	402,452	105,420	100,284	27,246	127,597
Other revenues	674,615	848,366	1,037,810	703,062	720,426
Total local sources	<u>13,092,361</u>	<u>12,784,899</u>	<u>13,761,299</u>	<u>12,620,587</u>	<u>13,197,437</u>
Total revenues	<u><u>\$ 16,075,058</u></u>	<u><u>\$ 15,962,563</u></u>	<u><u>\$ 17,224,137</u></u>	<u><u>\$ 16,041,921</u></u>	<u><u>\$ 16,443,399</u></u>

Source: The source of this information is the District's financial records.

(Concluded)

Sedona-Oak Creek Joint Unified School District No. 9
Governmental Funds Expenditures and Debt Service Ratio
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Expenditures:					
Current -					
Instruction	\$ 4,893,279	\$ 4,588,092	\$ 4,073,139	\$ 3,723,910	\$ 4,018,636
Support services - students and staff	1,285,651	1,168,537	1,115,307	930,101	961,340
Support services - administration	1,420,273	1,138,321	1,001,392	782,376	865,962
Operation and maintenance of plant services	1,413,637	1,430,286	1,240,568	1,263,173	1,357,701
Student transportation services	473,011	483,436	419,639	368,332	444,136
Operation of non-instructional services	406,529	400,444	366,524	283,491	344,480
Capital outlay	318,410	587,337	911,539	572,611	890,282
Debt service -					
Principal retirement	3,069,945	4,084,906	4,543,349	4,638,349	16,728,349
Interest and fiscal charges	724,490	922,008	1,142,925	1,356,085	1,817,991
Bond issuance costs					
Total expenditures	<u>\$ 14,005,225</u>	<u>\$ 14,803,367</u>	<u>\$ 14,814,382</u>	<u>\$ 13,918,428</u>	<u>\$ 27,428,877</u>
Expenditures for capitalized assets	\$ 232,096	\$ 265,212	\$ 432,506	\$	\$
Debt service as a percentage of noncapital expenditures	28%	34%	40%	43%	68%

(Continued)

Sedona-Oak Creek Joint Unified School District No. 9
Governmental Funds Expenditures and Debt Service Ratio
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Expenditures:					
Current -					
Instruction	\$ 3,866,651	\$ 5,039,609	\$ 4,419,715	\$ 4,649,472	\$ 4,778,171
Support services - students and staff	1,101,708	1,176,598	1,179,109	1,004,539	970,524
Support services - administration	1,088,435	1,239,761	1,172,351	1,135,269	1,106,798
Operation and maintenance of plant services	1,342,465	1,521,568	1,498,407	1,418,698	1,396,840
Student transportation services	417,942	471,260	440,371	490,259	472,126
Operation of non-instructional services	362,022	421,721	437,481	552,115	551,876
Capital outlay	335,711	569,495	2,434,527	576,321	298,464
Debt service -					
Principal retirement	4,388,349	4,213,349	3,930,000	3,795,000	3,965,000
Interest and fiscal charges	2,567,378	2,513,001	2,207,422	2,575,483	2,422,047
Bond issuance costs			213,509		311,425
Total expenditures	<u><u>\$ 15,470,661</u></u>	<u><u>\$ 17,166,362</u></u>	<u><u>\$ 17,932,892</u></u>	<u><u>\$ 16,197,156</u></u>	<u><u>\$ 16,273,271</u></u>
Expenditures for capitalized assets	\$ 16,149	\$ 150,516	\$ 131,511	\$ 187,010	\$ 102,996
Debt service as a percentage of noncapital expenditures	45%	40%	36%	40%	41%

Source: The source of this information is the District's financial records.

(Concluded)

Sedona-Oak Creek Joint Unified School District No. 9
Other Financing Sources and Uses and Net Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Excess (deficiency) of revenues over expenditures	\$ (19,271)	\$ (68,331)	\$ (322,808)	\$ 1,201,684	\$ (12,805,183)
Other financing sources (uses):					
Lease agreements		133,340			
Insurance recoveries		4,295			
Proceeds from sale of capital assets					
Transfers in	139,722	139,695	138,800	132,240	367,969
Transfers out	(139,722)	(139,695)	(138,800)	(132,240)	(367,969)
Total other financing sources (uses)		137,635			
Changes in fund balances	<u>\$ (19,271)</u>	<u>\$ 69,304</u>	<u>\$ (322,808)</u>	<u>\$ 1,201,684</u>	<u>\$ (12,805,183)</u>
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Excess (deficiency) of revenues over expenditures	\$ 604,397	\$ (1,203,799)	\$ (708,755)	\$ (155,235)	\$ 170,128
Other financing sources (uses):					
Refunding bonds issued			11,630,000		20,850,000
Premium on sale of bonds			1,706,286		3,609,256
Payment to refunded bond escrow agent					(24,147,831)
Capital lease agreements			1,850,235		
Insurance recoveries	16,003				
Transfers in	31,711	182,204	45,052	42,669	76,191
Transfers out	(31,711)	(182,204)	(45,052)	(42,669)	(76,191)
Total other financing sources (uses)	16,003		15,186,521		311,425
Changes in fund balances	<u>\$ 620,400</u>	<u>\$ (1,203,799)</u>	<u>\$ 14,477,766</u>	<u>\$ (155,235)</u>	<u>\$ 481,553</u>

Source: The source of this information is the District's financial records.

Sedona-Oak Creek Joint Unified School District No. 9
Net Limited Assessed Value and Full Cash Value of Taxable Property by Class
Last Ten Fiscal Years

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Commercial, Industrial, Utilities and Mining	\$ 132,405,216	\$ 125,014,933	\$ 127,802,135	\$ 116,943,469	\$ 111,845,351
Agricultural and Vacant	54,759,782	53,449,041	53,222,089	54,347,004	54,041,802
Residential (Owner Occupied)	295,315,079	281,790,682	268,419,983	255,035,211	244,818,552
Residential (Rental)	235,782,101	219,501,971	202,699,138	192,198,421	176,115,543
Historical Property	21,905	21,006	20,088	19,051	18,165
Certain Government Property Improvements	9,856	9,391	8,943	8,515	8,105
Total	<u>\$ 718,293,939</u>	<u>\$ 679,787,024</u>	<u>\$ 652,172,376</u>	<u>\$ 618,551,671</u>	<u>\$ 586,847,518</u>
Gross Full Cash Value	\$ 6,596,947,132	\$ 7,414,245,163	\$ 7,051,020,127	\$ 6,578,880,999	\$ 5,868,145,398
Ratio of Net Limited Assessed Value to Gross Full Cash Value	11%	9%	9%	9%	10%
Total Direct Rate	2.28	2.57	2.70	2.96	3.05

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Commercial, Industrial, Utilities and Mining	\$ 110,966,998	\$ 101,512,699	\$ 93,682,313	\$ 91,063,249	\$ 90,861,941
Agricultural and Vacant	56,059,221	57,035,838	56,113,046	58,404,950	60,663,363
Residential (Owner Occupied)	233,648,921	234,903,672	225,423,747	217,592,151	208,021,557
Residential (Rental)	164,952,057	143,736,660	134,369,298	123,150,086	113,517,352
Historical Property	19,209	18,295	17,423	16,594	15,804
Certain Government Property Improvements	7,724	7,355	7,024	6,688	6,369
Total	<u>\$ 565,654,130</u>	<u>\$ 537,214,519</u>	<u>\$ 509,612,851</u>	<u>\$ 490,233,718</u>	<u>\$ 473,086,386</u>
Gross Full Cash Value	\$ 5,588,994,589	\$ 5,445,129,486	\$ 5,239,996,226	\$ 4,875,855,110	\$ 4,214,994,727
Ratio of Net Limited Assessed Value to Gross Full Cash Value	10%	10%	10%	10%	11%
Total Direct Rate	3.20	3.23	3.58	3.52	3.67

Source: The source of this information is the State and County Abstract of the Assessment Roll, Arizona Department of Revenue.

Note: On November 6, 2012, voters approved Proposition 117, an amendment to the Arizona Constitution. Beginning with Tax Year 2015 (Fiscal Year 2016), both primary and secondary taxes are levied against the net limited assessed value. Primary taxes are used for general District operations. Secondary taxes are used to service District bonded debt requirements and other voter-approved overrides.

Sedona-Oak Creek Joint Unified School District No. 9
Net Full Cash Assessed Value of Taxable Property by Class
Last Ten Fiscal Years

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Commercial, Industrial, Utilities and Mining	\$ 176,436,530	\$ 155,695,185	\$ 150,430,334	\$ 143,490,605	\$ 126,589,649
Agricultural and Vacant	79,354,599	68,005,430	65,986,742	62,278,786	58,014,274
Residential (Owner Occupied)	422,635,891	330,888,647	320,275,086	296,842,321	268,278,362
Residential (Rental)	336,967,859	260,104,521	242,334,497	225,240,799	196,335,869
Historical Property	30,545	24,745	21,769	23,774	21,082
Certain Government Property Improvements	14,035	12,363	11,628	11,308	9,989
Total	<u>\$ 1,015,439,459</u>	<u>\$ 814,730,891</u>	<u>\$ 779,060,056</u>	<u>\$ 727,887,593</u>	<u>\$ 649,249,225</u>
Gross Full Cash Value	\$ 6,596,947,132	\$ 7,414,245,163	\$ 7,051,020,127	\$ 6,578,880,999	\$ 5,868,145,398
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	15%	11%	11%	11%	11%
Estimated Net Full Cash Value	713,582,700	7,203,048,902	6,856,221,807	6,389,373,651	5,696,834,147
Total Direct Rate	2.28	2.57	2.70	2.96	3.05

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Commercial, Industrial, Utilities and Mining	\$ 127,060,933	\$ 113,838,194	\$ 95,944,475	\$ 92,538,323	\$ 91,957,723
Agricultural and Vacant	61,576,747	66,191,665	57,931,370	59,533,114	61,119,544
Residential (Owner Occupied)	252,572,726	261,908,719	229,683,457	222,833,947	211,008,805
Residential (Rental)	181,507,695	162,211,530	138,269,494	127,452,326	115,900,457
Historical Property	21,901	22,304	17,423	16,594	15,804
Certain Government Property Improvements	10,020	8,391	7,024	6,688	9,540
Total	<u>\$ 622,750,022</u>	<u>\$ 604,180,803</u>	<u>\$ 521,853,243</u>	<u>\$ 502,380,992</u>	<u>\$ 480,011,873</u>
Gross Full Cash Value	\$ 5,588,994,589	\$ 5,445,129,486	\$ 5,239,996,226	\$ 4,875,855,110	\$ 4,214,994,727
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	11%	11%	10%	10%	11%
Estimated Net Full Cash Value	5,419,475,735	5,276,660,723	5,092,006,327	4,750,900,492	4,108,044,427
Total Direct Rate	3.20	3.23	3.58	3.52	3.67

Source: The source of this information is the State and County Abstract of the Assessment Roll, Arizona Department of Revenue.

Note: On November 6, 2012, voters approved Proposition 117, an amendment to the Arizona Constitution. Beginning with Tax Year 2015 (Fiscal Year 2016), both primary and secondary taxes are levied against the net limited assessed value. The net full cash assessed value is used for determining the District's bonding capacity and as the ceiling for net limited assessed value.

Sedona-Oak Creek Joint Unified School District No. 9
Property Tax Assessment Ratios
Last Ten Fiscal Years

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Commercial, Industrial, Utilities and Mining	17 %	18 %	18 %	18 %	18 %
Agricultural and Vacant	15	15	15	15	15
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	14	15	15	15	15

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Commercial, Industrial, Utilities and Mining	18 %	18 %	18 %	19 %	19 %
Agricultural and Vacant	15	15	15	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	14	15	14	15	16

Source: The source of this information is the State and County Abstract of the Assessment Roll, Arizona Department of Revenue.

Note: Additional classes of property exist, but do not amount to a significant portion of the District's total valuation, therefore they are not included on this schedule.

Sedona-Oak Creek Joint Unified School District No. 9
Direct and Overlapping Property Tax Rates - Coconino County
Last Ten Fiscal Years

Fiscal Year Ended June 30	Overlapping Rates							District Direct Rates		
	State	Coconino	Coconino County	Coconino County	Coconino	Coconino	Sedona-Oak	Primary	Secondary	Total
	Equalization	County	Library District	Flood Control District	Community College District	County Fire District	Creek Fire District			
2024		0.50	0.28	0.50	0.61	0.10	2.70	1.68	0.60	2.28
2023	0.00	0.51	0.27	0.50	0.52	0.10	2.59	1.75	0.82	2.57
2022	0.43	0.52	0.26	0.26	0.44	0.10	2.48	1.80	0.90	2.70
2021	0.44	0.53	0.26	0.23	0.45	0.10	2.48	1.87	1.09	2.96
2020	0.46	0.54	0.26	0.23	0.46	0.10	2.50	1.93	1.12	3.05
2019	0.47	0.56	0.26	0.18	0.60	0.10	2.47	2.01	1.20	3.21
2018	0.49	0.57	0.26	0.40	0.61	0.10	2.54	1.98	1.24	3.22
2017	0.50	0.58	0.26	0.40	0.62	0.10	2.45	2.19	1.39	3.58
2016	0.51	0.57	0.26	0.40	0.61	0.10	2.43	2.13	1.39	3.52
2015	0.51	0.56	0.26	0.10	0.61	0.10	2.13	2.23	1.44	3.67

Source: The source of this information is the Property Tax Rates and Assessed Values, Arizona Tax Research Foundation.

Sedona-Oak Creek Joint Unified School District No. 9
Direct and Overlapping Property Tax Rates - Yavapai County
Last Ten Fiscal Years

Fiscal Year Ended June 30	Overlapping Rates							District Direct Rates		
	State	Yavapai	Yavapai County	Yavapai County	Yavapai	Yavapai	Sedona-Red	Primary	Secondary	Total
	Equalization	County	Library District	Flood Control District	Community College District	County Fire District	Rock Fire District			
2024		1.71	0.14	0.18	1.51	0.08	2.70	1.68	0.60	2.28
2023	0.00	1.79	0.15	0.18	1.50	0.09	2.59	1.75	0.82	2.57
2022	0.43	1.86	0.15	0.19	1.56	0.09	2.48	1.80	0.90	2.70
2021	0.44	1.93	0.16	0.20	1.61	0.09	2.48	1.87	1.09	2.96
2020	0.46	2.02	0.17	0.21	1.69	0.10	2.50	1.93	1.12	3.05
2019	0.47	1.78	0.17	0.22	1.95	0.10	2.47	2.01	1.20	3.21
2018	0.49	1.84	0.18	0.23	1.98	0.10	2.54	1.98	1.24	3.22
2017	0.50	1.90	0.19	0.20	2.06	0.10	2.45	2.19	1.39	3.58
2016	0.51	1.93	0.17	0.21	2.09	0.10	2.43	2.13	1.39	3.52
2015	0.51	1.96	0.15	0.21	2.08	0.10	2.11	2.23	1.44	3.67

Source: The source of this information is the Property Tax Rates and Assessed Values, Arizona Tax Research Foundation.

Sedona-Oak Creek Joint Unified School District No. 9
Principal Property Taxpayers
Current Fiscal Year and Fiscal Year Nine Years Prior

Taxpayer	2024		2015	
	Net Limited Assessed Valuation	Percentage of District's Net Limited Assessed Valuation	Net Full Cash Assessed Valuation	Percentage of District's Net Full Cash Assessed Valuation
Hyatt Sedona	\$39,401,946	3.88 %		%
Sedona Vacation Club	31,014,738	3.05		
New Enchantment LLC		-	3,207,739	0.67
Arizona Public Service Co (Yavapai)	18,417,732	1.81	5,061,149	1.05
Signature Resorts Inc		-	1,786,910	0.37
Diamond Resorts	17,613,010	1.73		
Poco Diablo		-		
Tlaquepaque	12,095,782	1.19		
Amara Resorts	11,231,353	1.11		
Kohan Sedona	9,160,738	0.90		
MCA Hillside	8,525,807	0.84		
Sinagua Plaza	6,746,225	0.66		
Jackett Sedona LLC				
Rams Shopping Center LLC			1,626,271	0.34
Massachusetts Mutual Life			3,336,734	0.70
New Enchantment, LP			2,020,004	0.42
Sedona Development Partners, LLC				
Northern Arizona Healthcare			1,363,785	0.28
Sedona Rouge, LLC				
HTS-CHC (Sedona) LLC			4,679,039	0.97
Stewart Title & Trust of Phoenix, Inc. #2399			1,449,446	0.30
First American Trust FSB			1,348,188	0.28
Unisource Energy Corporation			1,264,110	0.26
Total	154,207,331	15.17 %	27,143,375	5.64 %

Source: The source of this information is the Yavapai County Assessor's records.

Note: On November 6, 2012, voters approved Proposition 117, an amendment to the Arizona Constitution. Beginning with Tax Year 2015 (Fiscal Year 2016), both primary and secondary taxes are levied against the net limited assessed value.

Sedona-Oak Creek Joint Unified School District No. 9
Property Tax Levies and Collections
Last Ten Fiscal Years

	Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Collected to the End of the Current Fiscal Year	
			Amount	Percentage of Levy		Amount	Percentage of Levy
Coconino County	2024	\$ 2,065,175	\$ 2,016,324	97.63 %	\$	\$ 2,016,324	97.63 %
	2023	2,462,565	2,420,707	98.30	29,743	2,450,450	99.51
	2022	2,562,514	2,516,676	98.21	422	2,517,098	98.23
	2021	2,903,120	2,853,295	98.28	49,825	2,903,120	100.00
	2020	2,863,173	2,768,082	96.68	95,091	2,863,173	100.00
	2019	3,026,204	2,973,774	98.27	52,430	3,026,204	100.00
	2018	3,012,789	2,974,165	98.72	38,624	3,012,789	100.00
	2017	3,242,571	3,187,307	98.30	55,264	3,242,571	100.00
	2016	3,074,560	3,006,083	97.77	68,477	3,074,560	100.00
	2015	3,232,644	3,181,287	98.41	51,357	3,232,644	100.00
Yavapai County	2024	\$ 7,022,095	\$ 6,942,726	98.87 %	\$	\$ 6,942,726	98.87 %
	2023	7,584,181	7,456,493	98.32 %	79,267	7,535,760	99.36
	2022	7,664,952	7,556,960	98.59 %	3,281	7,560,241	98.63
	2021	8,534,817	8,412,058	98.56 %	122,374	8,534,432	100.00
	2020	8,350,531	8,165,825	97.79 %	184,706	8,350,531	100.00
	2019	8,802,488	8,708,457	98.93 %	94,031	8,802,488	100.00
	2018	8,653,335	8,524,328	98.51 %	129,000	8,653,328	100.00
	2017	9,195,197	9,042,508	98.34 %	152,679	9,195,187	100.00
	2016	8,679,444	8,546,611	98.47 %	132,570	8,679,181	100.00
	2015	8,982,617	8,822,648	98.22 %	159,802	8,982,450	100.00

Source: The source of this information is the Coconino & Yavapai County Treasurer's records.

Notes: 1) Amounts collected are on a cash basis.

2) Unsecured personal property taxes are not included in this schedule because the dates of the monthly rolls vary each year. On the average, 90% of unsecured property taxes are collected within 90 days after the due date.

Sedona-Oak Creek Joint Unified School District No. 9
Direct and Overlapping Governmental Activities Debt
June 30, 2024

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Overlapping:			
Yavapai County Community College District	\$ 3,550,000	0.19 %	\$ 6,597
City of Sedona	42,215,009	0.18	76,947
Subtotal, Overlapping Debt			<u>83,544</u>
Direct:			
Sedona-Oak Creek Joint Unified School District No. 9			<u>16,096,273</u>
Total Direct and Overlapping Governmental Activities Debt			<u>\$ 16,179,817</u>

Direct and Overlapping General Bonded Debt Ratios

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation		2.24 %
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 935	
As a Percentage of Net Limited Assessed Valuation		2.25 %
As a Percentage of Gross Full Cash Value		0.25 %

Source: The source of this information is the District's records and the State and County Abstract of the Assessment Roll, Arizona Department of Revenue and the applicable governmental unit.

- Notes:** 1) Estimated percentage of debt outstanding applicable to the District is calculated based on a portion of the District's net limited assessed valuation as a percentage of the net limited assessed valuation of the overlapping jurisdiction.
2) Outstanding debt as of June 30, 2023 is presented for the overlapping governments as this is the most recent available information.

Sedona-Oak Creek Joint Unified School District No. 9
Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30	General Obligation Bonds					Total Outstanding Debt				
	General Obligation Bonds	Less: Amounts Restricted for Principal	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Financed Purchases and Leases	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Percentage of Personal Income
2024	\$ 15,029,295	\$ 336,937	\$ 14,692,358	0.22 %	\$ 849	\$ 1,066,979	\$ 16,096,274	0.24 %	\$ 930	0.18 %
2023	18,369,120	459,565	17,909,555	0.24	1,009	1,216,924	19,586,044	0.26	1,103	0.23
2022	22,723,946	388,312	22,335,634	0.32	1,129	1,233,490	23,957,436	0.34	1,211	0.29
2021	27,563,772	1,113,292	26,450,480	0.40	1,478	1,356,839	28,920,611	0.44	1,615	0.38
2020	32,498,598	778,341	31,720,257	0.54	2,000	1,480,188	33,978,786	0.58	2,142	0.49
2019	49,731,317	13,339,773	36,391,544	0.65	2,333	1,603,537	51,334,854	0.92	3,291	0.75
2018	54,465,234	13,562,617	40,902,617	0.75	2,796	1,726,886	56,192,120	1.03	3,841	1.55
2017	59,058,126	14,442,698	44,615,428	0.85	3,067	1,850,235	60,908,361	1.16	4,187	1.07
2016	50,154,732	796,421	49,358,311	1.01	3,291		50,154,732	1.03	3,344	0.86
2015	54,688,500	919,383	53,769,117	1.28	3,654		54,688,500	1.30	3,716	1.07

Source: The source of this information is the District's financial records.

Note: The provisions of the Governmental Accounting Standards Board (GASB) Statement No. 87 were adopted in fiscal year 2022. The standard replaces the previous capital and operating lease designations with financed purchases or leases depending on the substance of the transactions. The fiscal year 2014-2021 information within this column relates to the transactions previously designated as capital leases.

Sedona-Oak Creek Joint Unified School District No. 9
Legal Debt Margin Information
Last Ten Fiscal Years

Class B Bond Legal Debt Margin Calculation for Fiscal Year 2024:

Net full cash assessed valuation	\$ 1,015,439,459
Debt limit (20% of assessed value)	203,087,892
Debt applicable to limit	15,029,294
Legal debt margin	<u><u>\$ 188,058,598</u></u>

Total Legal Debt Margin Calculation for Fiscal Year 2024:

Net full cash assessed valuation	\$ 1,015,439,459
Debt limit (30% of assessed value)	304,631,838
Debt applicable to limit	15,029,294
Legal debt margin	<u><u>\$ 289,602,544</u></u>

	Fiscal Year Ended June 30				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Debt Limit	\$ 304,631,838	\$ 244,419,267	\$ 233,718,017	\$ 218,336,278	\$ 194,774,768
Total net debt applicable to limit	<u>15,029,294</u>	<u>18,369,120</u>	<u>22,723,946</u>	<u>27,563,772</u>	<u>32,498,598</u>
Legal debt margin	<u><u>\$ 289,602,544</u></u>	<u><u>\$ 226,050,147</u></u>	<u><u>\$ 210,994,071</u></u>	<u><u>\$ 190,772,506</u></u>	<u><u>\$ 162,276,170</u></u>
Total net debt applicable to the limit as a percentage of debt limit	5%	8%	10%	13%	17%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Debt Limit	\$ 186,825,007	\$ 181,254,241	\$ 156,555,973	\$ 150,714,298	\$ 144,003,562
Total net debt applicable to limit	<u>49,731,317</u>	<u>54,465,234</u>	<u>54,765,000</u>	<u>46,400,000</u>	<u>50,195,000</u>
Legal debt margin	<u><u>\$ 137,093,690</u></u>	<u><u>\$ 126,789,007</u></u>	<u><u>\$ 101,790,973</u></u>	<u><u>\$ 104,314,298</u></u>	<u><u>\$ 93,808,562</u></u>
Total net debt applicable to the limit as a percentage of debt limit	27%	30%	35%	31%	35%

Source: The source of this information is the District's financial records.

- Notes:** 1) The District's general obligation bonds are subject to two limits: the Constitutional debt limit (total debt limit) on all general obligation bonds outstanding and the statutory debt limit on Class B bonds outstanding. The calculations of the debt margins are presented in detail for the current fiscal year only.
- 2) Prior to FY17, net bond premium was restricted by amount and not subject to the statutory debt limit. Beginning with FY17, any additional net premium used for capital projects, bond counsel, printing and preparation of offering documents, a financial advisor, paying agent costs or to pay down debt is counted against both debt limits with the exception of amounts of premium deposited into the Debt Service Fund or a refunding escrow to pay interest payments.

Sedona-Oak Creek Joint Unified School District No. 9
Coconino County-Wide Demographic and Economic Statistics
Last Ten Calendar Years

<u>Year</u>	<u>Population</u>		<u>Personal Income (thousands)</u>		<u>Per Capita Income</u>	<u>Unemployment Rate</u>		<u>Estimated District Population</u>
2023	144,472	\$	8,957,617	\$	67,266	4.0	%	17,311
2022	149,647		8,489,905		61,888	4.3		17,755
2021	147,434		8,255,426		56,914	6.0		19,776
2020	145,326		7,556,660		53,036	8.7		17,902
2019	147,275		6,875,489		48,129	5.5		15,864
2018	142,854		6,875,489		48,129	5.5		15,598
2017	140,776		3,621,040		25,722	5.7		14,629
2016	142,560		5,705,476		40,022	6.1		14,547
2015	141,602		5,808,231		41,018	7.0		15,000
2014	139,372		5,102,688		36,612	7.1		14,716

Sources: The source of the "Personal Income" and "Per Capita" information is the Bureau of Economic Analysis.
The source of the "Population" and "Unemployment Rate" information is the Arizona Office of Employment and Population Statistics.

Sedona-Oak Creek Joint Unified School District No. 9
Yavapai County-Wide Demographic and Economic Statistics
Last Ten Calendar Years

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands)</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>	<u>Estimated District Population</u>
2023	249,081	13,926,821	55,913	3.3	17,311
2022	245,389	12,739,608	51,747	3.5	17,755
2021	241,173	11,884,929	49,060	4.1	19,776
2020	236,426	10,687,662	44,490	6.1	17,902
2019	232,386	9,352,066	40,312	4.0	15,864
2018	228,970	9,352,100	40,312	5.0	15,598
2017	224,363	8,287,072	36,936	4.8	14,629
2016	216,850	7,900,004	36,431	4.9	14,547
2015	217,778	7,740,919	35,545	5.9	15,000
2014	215,357	6,999,749	32,503	6.3	14,716

Sources: The source of the "Personal Income" and "Per Capita" information is the Bureau of Economic Analysis.
The source of the "Population" and "Unemployment Rate" information is the Arizona Office of Employment and Population Statistics.

Sedona-Oak Creek Joint Unified School District No. 9
Principal Employers
Current Fiscal Year and Fiscal Year Nine Years Prior

Employer	2024		2015	
	Employees	Percentage of Total Employment	Employees	Percentage of Total Employment
Pink Jeep Tours		- %	175	2.08 %
Sweeney Hotels International Inc		-		-
New Enchantment LLC	501	5.84	500	5.95
Enchantment Resorts	201	2.34		-
L'Auberge de Sedona Resort	184	2.15	300	3.57
Hilton Resorts & Spa	137	1.60	180	2.14
Seven Canyons Lot Holdings, LLC		-		-
Sedona-Oak Creek School District	103	1.20	150	1.78
The Wilde (formerly Sedona Rouge)	78	0.91		-
City of Sedona	178	2.08	110	1.31
Los Abrigados Resort	75	0.87	140	1.67
Safeway		-		-
Sedona Development Partners, LLC		-		-
Radisson Poco Diablo Resort		-	85	1.01
Bashas'		-		-
Sedona Rouge, LLC			115	1.37
Sunterra Resorts			100	1.19
Total	<u>1,457</u>	<u>16.99 %</u>	<u>1,855</u>	<u>22.07 %</u>
Total employment	<u>8,572</u>		<u>8,404</u>	

Source: The source of this information is the Sedona Chamber of Commerce and the Office of Economic Opportunity.

Sedona-Oak Creek Joint Unified School District No. 9
Full-Time Equivalent District Employees by Type
Last Ten Fiscal Years

	Full-time Equivalent Employees as of June 30				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Supervisory					
Superintendent	1	1	1	1	1
Principals	2	2	1	2	2
Assistant principals	1	1	1	1	1
Spec Ed Director	1	1	1	1	1
Curriculum Coord	1	1	1	1	1
Total supervisory	<u>6</u>	<u>6</u>	<u>5</u>	<u>6</u>	<u>6</u>
Instruction					
Teachers	47	53	48	47	49
Other professionals (instructional)	4	3	3	3	6
Aides	11	11	12	9	11
Nurse/Health Aides	2		2	3	2
Total instruction	<u>64</u>	<u>67</u>	<u>65</u>	<u>62</u>	<u>68</u>
Student Services					
Librarians	1	1	1	2	1
Technicians			3	3	2
Total student services	<u>1</u>	<u>1</u>	<u>4</u>	<u>5</u>	<u>3</u>
Support and Administration					
Clerical/Other	11	9	12	12	9
Technical/Maint Support	8	10	14	14	10
Bus Drivers	9	6	9	9	5
Total support and administration	<u>28</u>	<u>25</u>	<u>35</u>	<u>35</u>	<u>24</u>
Total	<u><u>99</u></u>	<u><u>99</u></u>	<u><u>109</u></u>	<u><u>108</u></u>	<u><u>101</u></u>

(Continued)

Sedona-Oak Creek Joint Unified School District No. 9
Full-Time Equivalent District Employees by Type
Last Ten Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Supervisory					
Superintendent	1	1	1	1	1
Principals	2	4	4	3	3
Assistant principals	1			1	1
Spec Ed Director	1	1	1	1	1
Curriculum Coord	1	1	1	1	
Total supervisory	<u>6</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>6</u>
Instruction					
Teachers	49	61	60	61	68
Other professionals (instructional)	6	9	7	9	5
Aides	11	15	16	14	13
Nurse/Health Aides	2	2	3	2	3
Total instruction	<u>68</u>	<u>87</u>	<u>86</u>	<u>86</u>	<u>89</u>
Student Services					
Librarians	2	2	2	2	2
Technicians	2	3	3	2	2
Total student services	<u>4</u>	<u>5</u>	<u>5</u>	<u>4</u>	<u>4</u>
Support and Administration					
Clerical/Other	11	17	15	13	15
Technical/Maint Support	10	10	10	10	5
Bus Drivers	5	11	16	23	
Total support and administration	<u>26</u>	<u>38</u>	<u>41</u>	<u>46</u>	<u>20</u>
Total	<u>104</u>	<u>137</u>	<u>139</u>	<u>143</u>	<u>119</u>

Source: The source of this information is District personnel records.

(Concluded)

Sedona-Oak Creek Joint Unified School District No. 9
Operating Statistics
Last Ten Fiscal Years

Fiscal Year Ended June 30	Average Daily Membership	Operating Expenditures	Cost per Pupil	Percentage Change	Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil- Teacher Ratio	Percentage of Free/Reduced Students
2024	678	\$ 9,892,380	\$ 14,591	9.80 %	\$ 13,199,831	\$ 19,469	1.44 %	47	14.4	42.9 %
2023	693	9,209,116	13,289	7.59	13,299,703	19,191	3.85	53	13.1	60.5
2022	665	8,216,569	12,350	12.39	12,293,054	18,477	2.47	48	13.9	51.3
2021	669	7,351,383	10,989	2.55	12,063,602	18,032	1.14	47	14.2	61.1
2020	746	7,992,255	10,715	0.51	13,298,079	17,829	2.88	49	15.2	59.0
2019	767	8,179,223	10,661	(0.30)	13,295,355	17,330	9.11	49	15.7	58.5
2018	923	9,870,517	10,694	17.84	14,659,842	15,883	(0.91)	61	15.1	46.0
2017	1,008	9,147,434	9,075	3.12	16,156,900	16,029	15.73	60	16.8	52.0
2016	1,051	9,250,352	8,800	7.58	14,558,597	13,850	5.81	61	17.2	42.3
2015	1,134	9,276,335	8,180	1.33	14,843,365	13,089	(0.61)	68	16.7	46.0

Source: The source of this information is the District's financial records.

Note: Operating expenditures are total expenditures less debt service and capital outlay.

Sedona-Oak Creek Joint Unified School District No. 9
Capital Assets Information
Last Ten Fiscal Years

	Fiscal Year Ended June 30									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Schools</u>										
K-8 Schools										
Buildings	11	11	11	11	11	11	11	11	11	11
Square feet	178,564	178,564	178,564	178,564	178,564	178,564	178,564	178,564	178,564	178,564
Capacity	2,062	2,062	2,062	2,062	2,062	2,062	2,062	2,062	2,062	2,062
Enrollment	396	413	413	490	487	451	451	495	660	762
High										
Buildings	6	6	6	6	6	6	6	6	6	6
Square feet	157,068	157,068	157,068	157,068	157,068	157,068	157,068	157,068	157,068	157,068
Capacity	791	791	791	791	791	791	791	791	791	791
Enrollment	314	321	321	303	303	467	467	514	437	492
Other										
Buildings	6	6	6	6	6	6	6	6	6	6
Square feet	14,245	14,245	14,245	14,245	14,245	14,245	14,245	14,245	14,245	14,245
Capacity	100	100	100	100	100	100	100	100	100	100
Enrollment										
<u>Administrative</u>										
Buildings	2	2	2	2	2	2	2	2	2	2
Square feet	13,093	13,093	13,093	13,093	13,093	13,093	13,093	13,093	13,093	13,093
<u>Transportation</u>										
Garages	1	1	1	1	1	1	1	1	1	1
Buses	13	13	13	13	13	13	13	13	13	13
<u>Athletics</u>										
Football/Soccer fields	2	2	2	2	2	2	2	2	2	2
Running tracks	1	1	1	1	1	1	1	1	1	1
Baseball/softball	4	4	4	4	4	4	4	4	4	4
Swimming pools	1	1	1	1	1	1	1	1	1	1
Playgrounds	2	2	2	2	2	2	2	2	2	2

Source: The source of this information is the District's facilities records.

(This page intentionally left blank)